# LEPHALALE MUNICIPALITY


# IDP REVIEW 2010/2011

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## (I) PLANNING PROCESS AND INTRODUCTION OF INTEGRATED DEVELOPMENT PLANNING

Integrated development planning is one of the key tools for local government to cope with its new role and function in terms of the Constitution of The Republic of South Africa, (Act 108 of 1996) and other applicable legislation. In contrast to the role planning has played in the past, Integrated Development Planning is now seen as a function of municipal management, as part of an integrated system of planning and delivery. The Integrated Development Planning process is meant to arrive at decisions on issues such as municipal budgets, land management, social and economic development and Institutional transformation in a consultative, systematic and strategic manner.

Integrated Development Planning is a process through which municipalities prepare a strategic development plan, for a five-year period. The Integrated Development Plan (IDP) is a product of the integrated development planning process. It is a tool for bridging the gap between the current reality and the vision of satisfying the needs of the whole community in an equitable and sustainable manner. Integrated development planning will enable municipalities to develop strategic policy capacity to mobilise resources and to target their activities. In practice the IDP is a comprehensive strategic business plan for the municipality over the short and medium term.

Under the new Constitution, local government has a new, expanded role to play. In addition to the traditional role of providing services, municipalities must now lead, manage and plan for development and also play an active role in social and human development. In addition to ensuring that all citizens have access to at least a minimum level of basic services, municipalities must now also take a leading role in addressing poverty, and in promoting local economic and social development.

They must not only deliver on present demands for services, they must also anticipate future demands and find ways to provide services in an effective, efficient and sustainable manner over the short, medium and long term.

The value of integrated development planning for municipalities lies in the formulation of focused plans, based on developmental priorities. It is essential to spend the limited council resources on the key development priorities of the local community. This is the essence of the IDP - how to align the projects, plans, budgets and other council resources, as well as the budgets, programmes, etc. of Provincial and National Government with the sustainable development priorities of the community.

The following diagram indicates the organizational structure that was established to ensure the institutionalisation of the IDP process, the effective management of the drafting of the IDP and to ensure proper and sufficient stakeholder participation in decision-making.

DIAGRAM1: INSTITUTIONAL ARRANGEMENTS FOR IDP REVIEW PROCESS

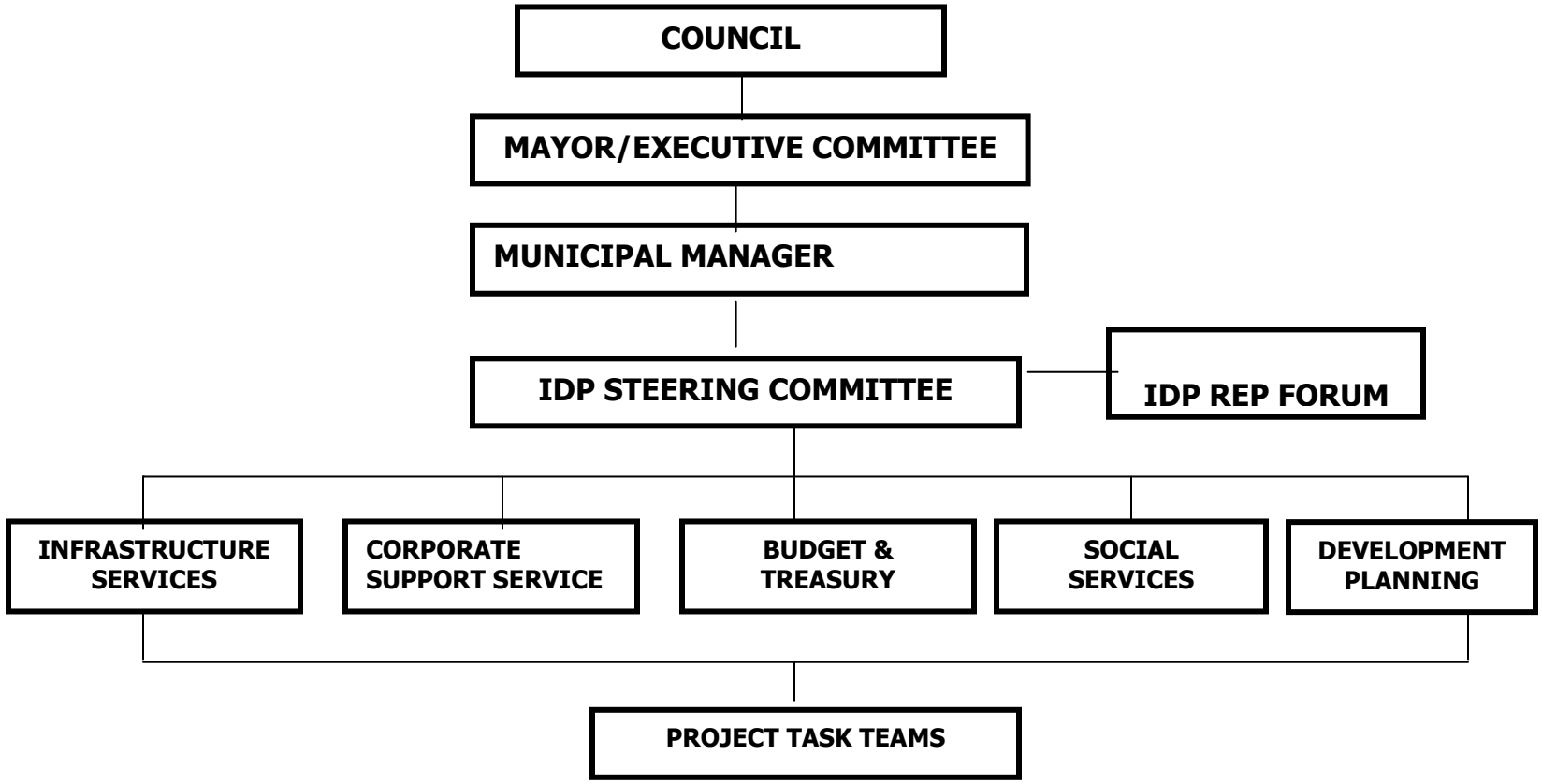


TABLE 1.1: THE ROLES AND RESPONSIBILITIES OF EACH STAKEHOLDER DURING THE IDP REVIEW PROCESS

| ACTORS | ROLES AND RESPONSIBILITIES |
|---|---|
| Council | Has to consider, adopt, monitor and approve the process that was followed in reviewing the IDP and budget. |
| Mayor/Exco. | Manage the drafting process, assign responsibilities and submit the draft plan to council for adoption |
| Portfolio Councilors | Participate in the IDP process. Assists the mayor as well as officials in problem solving and establishing policies regarding their specific portfolio committees. |
| Ward Councilors and Committees | Link the planning process to their constituencies, organize stakeholder consultation and participation through local level representative structures and through the IDP Rep Forum and ensure that the municipal budget is linked to and based on the IDP. |
| Municipal Manager | Is responsible for the overall management, co-ordination and monitoring of the planning process, ensuring that all relevant actors are appropriately involved, is responsible for the day-to-day management of the drafting process, ensures that Alignment takes place with provincial and national department's budgets and alignment of planning activities on provincial and local level. |
| Line function Managers | Takes joint responsibility for overall management, co-ordination and monitoring of the planning process. They would identify persons to be in charge of the different roles, activities and responsibilities of the process and specific planning activities, screens the contents of the IDP, considers and comment on inputs from sub-committees, provincial sector departments and specialists, as well as comment on draft outputs from each phase of the IDP. |
| WDM | Offer Professional support and technical guidance to both the district and local municipalities. Co-ordinate Project implementation and IDP meetings. |
| Sector Departments (Province, national) | They provide all relevant technical, sector and financial information for analysis to determine priority issues and contribute technical expertise in the identification of projects. They are also responsible for the preparation of Project proposals, the integration of projects and sector programmes. |
| Business sector | They form part of the IDP representative forum and make contributions to the IDP process at that level. |
| NGO's and CBO's | Support the alignment procedures between the municipalities and spheres of government and product related contributions at the IDP representative forum. |
| Community members | Submit inputs to the IDP process through ward committees and public consultation processes to the IDP representative forum at Local municipal level. Municipalities will then submit the said inputs in a form of in-depth analysis to the district for consideration during the review process. Each ward will be expected to establish ward plans that will inform the IDP process |

Table 1.2 Composition of institutional structure

| Meetings | Composition | Purpose |
|---|---|---|
| Council meetings | • Mayor;<br>• Councillors<br>• Directorate Managers<br>• Traditional leaders | • Approve the IDP Review Process Plan<br>• Approve draft IDP Reviewed<br>• Approve final IDP |
| IDP Steering Committee Meetings | • Municipal Manager;<br>• Directorate Managers,<br>• Divisional Heads<br>• IDP Officer | • Manage, co-ordinate and monitor the IDP Process;<br>• Ensure that all relevant actors were appropriately involved;<br>• Identify municipal wide issues and ensure that issues are addressed in the planning process;<br>• Ensure that horizontal & vertical alignment took place in planning process;<br>• Discuss and comment on inputs from provincial sector departments and support providers; and<br>• Comment on draft outputs from each phase of the IDP. |
| Public Consultation meetings | • Ward Councillors<br>• Ward committee members<br>• Community Development Workers<br>• Traditional leaders,<br>• NGO'S<br>• CBO'S<br>• Business formations<br>• The public | • To conduct a situational analysis in respective villages and wards<br>• To identify and prioritise the needs of communities in Villages and affected wards<br>• To identify projects and make proposed outcomes |

| Meetings | Composition | Purpose |
|---|---|---|
| IDP Representative Forum meeting | ▪ Councillors<br>▪ Ward committee Members<br>▪ Community development Workers<br>▪ Traditional Leaders<br>▪ NGO's<br>▪ CBO's<br>▪ Business formations<br>▪ The public<br>▪ Sector Departments | ▪ Co-ordinate with local municipalities, provincial and National departments<br>▪ Form a structured link between the municipality, Government and representatives of the public<br>▪ Adopt the analysis, strategies and projects<br>▪ Provide an organizational mechanism for discussion,<br>Negotiation and decision- making between the stake-holders including ward committees and community development workers on the framework for review, Situational analysis, strategies and project phases |

## (ii) MUNICIPAL FUNCTIONS AND POWERS

Table 1.3 Functions and Powers

| Functions of the local municipality according to the Constitution, the Municipal Structures Act and Systems Act | ATP | PFM | ESP or other sphere of Govt. | S78 | SDA |
|---|---|---|---|---|---|
| Air pollution | Yes | Yes | No | Yes | No |
| Bulk supply of Electricity | Yes | No | Yes | Yes | No |
| Bulk Water Supply | Yes | No | Yes | Yes | Yes |
| Bulk sewage purification and main sewage disposal | Yes | No | Yes | Yes | No |
| Cemeteries and Crematoria | Yes | No | No | Yes | No |
| Municipal roads | Yes | Yes | No | Yes | No |
| Education | No | No | No | No | No |
| Fire-Fighting Services | Yes | Yes | Yes | Yes | Yes |
| Local Economic Development | Yes | Yes | No | Yes | No |
| Municipal Abattoir | No | No | No | No | No |
| Municipal Airports | Yes | No | No | Yes | No |
| Municipal Health Services | No | No | No | No | Yes |
| Municipal Transport Planning | Yes | Yes | No | Yes | No |
| Municipal Public Works | Yes | Yes | No | Yes | No |
| Municipal Planning | Yes | Yes | No | Yes | No |
| Safety and Security | No | No | Yes | No | No |
| Social development | No | No | Yes | No | No |
| Sports, Arts and Culture | No | Yes | Yes | No | No |

**(iii) COUNCIL COMPOSITION**

The municipality is allocated 24 seats. All the 24 Seats are filled and no vacancy exists. The Council comprises of 24 councilors of which 12 are directly elected and 12 indirectly elected. The councilors represented hereunder are reflected as from March 2006.

Executive Leadership

- Cllr. NR Mogotlane - Mayor.
- Cllr. MM Kgwantha - Speaker.

Executive Committee Members

- Cllr. SD Mokono -Head of Cluster: Community Development.
- Cllr. LF Modimola - Head of Cluster: Governance & Administration.
- Cllr. JH Van Niekerk - Head of Cluster: Municipal Services.
- Cllr. HL Kwenaite - Head of Cluster: Finance & Economic Development.

Portfolio Council Chairpersons

- Cllr. S Matlou - Land and Agriculture.
- Cllr. MJ Mojela - Public Transport and Roads.
- Cllr. MO Mokwena - LED/SMME.
- Cllr. MA Setlhare - Health and Social Development.
- Cllr. MI Magwai (maiden name Shiko) - Tourism and Environment Affairs.
- Cllr. RJ Shiko - Education and Pre-Schools.
- Cllr. MF Shongoane - Public Works.
- Cllr. BG Ngoepe - Traditional and Home Affairs.
- Cllr. MO Setlatjile - Water & Sanitation.

- Cllr. LS Manamela - Labour.
- Cllr. MA Mohwasa - Communications.
- Cllr. FR Nku - Housing.
- Cllr. LT Nku - Sports, Arts and Culture.
- Cllr. S Snyders - Finance.
- Cllr. RF Motebele - Electricity.
- Cllr. SS Moima - Economic Development.
- Cllr. D Erasmus - Mining and Industry.
- Cllr. MP Modiba - Safety, Security, Liaison & Disaster.

Councilors' directly elected to the WDM

- Cllr. L Moremi
- Cllr. MP Modiba

Traditional Leaders

- Kgoshigadi ML Laka
- Kgoshi PD Seleka
- Kgoshigadi MA Shongoane

Cllr MB Thobane passed on in 2009, which resulted in the holding of the by-election and was replaced by Cllr Mohwasa. Cllr MP Modiba who was initially directly elected to the Waterberg District Municipality has been seconded to Lephalale Municipality in replacement of CLLR MD Mabote.

# SECTION A

# EXECUTIVE SUMMARY

The Municipality is located in the north western part of Waterberg District of Limpopo Province of the Republic of South Africa. It borders with four local municipalities (Blouberg, Modimolle, Mogalakwena and Thabazimbi. Its north-western border is also part of the international border between South Africa and Botswana. The Lephalale municipality is the biggest municipality in the Limpopo province (covering 14 000km$^2$). The town of Lephalale is located a mere 280 km from Tshwane and a recognized gateway to Botswana and other Southern African Countries. The town Lephalale (Ellisras/Onverwacht/Marapong) is located approximately 40 km from the border of Botswana. It is situated between 23˚30' and 24˚00' south latitude 27˚30' and 28˚00' east longitude.

Nestled at the spur of the Waterberg Mountains, Lephalale is a place of peace and breathtaking beauty. Trails through the awe inspiring D'Nyala Nature Reserve, Marekele National Park and enjoy the spectacular Mokolo Dam & Nature Reserve. Discover why Lephalale is called "the heartbeat of the Waterberg bushveld". As part of the Waterberg biosphere, Lephalale area is richly blessed with pristine natural beauty and an abundance of fauna and flora. Lephalale offers an infinite variety of scenic contrasts and encompass the unique Waterberg wilderness with its extraordinary beauty which boasts superb vistas, mountain gorges, clear streams and rolling hills. Rich in geological sites and rock art is a strong draw-card for the region, suggesting its links to many previous generations.

Lephalale has been identified by Limpopo Employment Growth and Development Plan as a petrochemical cluster and has attained the status of national development node. The Waterberg coal fields which boast more than 40% of the total coal reserve of South Africa is located in Lephalale. The Municipality is on the verge of huge economic development related to mining and energy generation due to the recent announcement of a new power station and expansion of mining activities. The construction of the 40, 000MW power station known as Medupi next to Matimpa power station is at an advanced stage and the building of a third one is under consideration by Eskom. Investigation by Sasol for the exploration of coal to liquid plant has reached an advanced stage. The importance of tourism industry to the economy of the area is likely to continue to grow into the future. This is likely to be related to the hunting and ecotourism industries, but could also be linked to any expansion of the industrial operations and the related business tourism. Agriculture especially red meat is one the potential economic activity which is likely to grow in the municipal area.

Both social infrastructure and economic infrastructure indicators show that much must still be done to improve the quality of life of the people of Lephalale. Communities are still experiencing a considerable level of unemployment, high level of illiteracy rate, HIV/AIDS and related problems.

Constitutionally, the objects of the local government are:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment and
- To encourage the involvement of communities and community organizations in matters of local government.

Lephalale municipality is endowed with natural resources that give her a competitive and comparative advantage in Mining, Energy, Tourism and Agriculture. The municipality has shown an increase in eco-tourism economic development activities in the recent past.

The Lephalale area falls in the summer rainfall region with an average annual rainfall of 350 to 400 mm. During summer time average sunshine duration is 65%, and the temperature varies around 32 degrees centigrade. The summer evening temperatures are moderate. The sunshine duration throughout the winter months is as high as 80% while the temperature varies around 21 degrees centigrade.

# SECTION B

# SITUATIONAL ANALYSIS

# AND
# BASIC SERVICE INFRASTRUCTURE

# 1. SPATIAL ANALYSIS

The geographical size of the municipal area of jurisdiction was 19.652 km² but since the realignment of the municipal area of jurisdiction in 2008, the local service points of Baltimore,Swartwater, Tolwe and Maasstroom now fall outside the municipal boundary of Lephalale and the net size is reduced to about 14 000 km², subject to demarcation board re-estimates. The boundary area still has to be confirmed according to the realignment.

## 1.2 Spatial characteristics

### 1.2.1 Settlements patterns.

The purpose of a Spatial Development Framework is to provide general direction to guide Integrated Development Planning and decision-making as well as actions over a multi-year period, and to create a strategic framework for the formulation of an appropriate land use management system. A spatial plan should be of purpose to indicate the desired spatial form of the municipal area, enabling visual representation of spatial objectives, formulate spatial strategies and provide strategic development framework. The compilation of a Spatial Development Framework was identified as an important Land Use Management project in the Lephalale Municipality. Such a framework should also be of purpose to inform the decisions of development tribunals and other decision-making bodies, as well as created a framework for investor confidence. The Spatial Development Framework for Lephalale Municipality was adopted in June 2006 and the current reviewed SDF has been adopted by council in September 2009.

Lephalale area is in the Bushveld region. It is situated in the lowveld physiographic region where vegetation consists mainly of dry woodlands, thorny bush and grassland. The ecological region is dry woodlands. Thicket, bushveld, bush clumps and high fynbos cover 55% of land area in the municipal area.
The settlements found are town, townships, villages, informal settlements and farms. Appraisal of the municipal area indicates a distinctive difference in the spatial pattern of development. Urban areas dominate rural areas.

The municipality is further characterized by a number of smaller villages in a leaner pattern on the eastern part without any economic activity. The land is mainly used for conservation, crop farming, game farming, mining, energy and small portion is used for settlement.

Commercial activities occur mainly within the central area of the municipality and adjacent areas of the biosphere reserve. The municipality does not have its own land for development purpose. It is still relying on town planning and township ordinance 15 of 1986 and old town planning scheme. Land use Management Bill is at the promulgation phase. The municipality does not have agricultural land use policy to promote sustainable agricultural land use. The SDF gives general policy guidelines. Municipal development framework divides the settlement into 2nd order, 3rd order and 4th order nodal points. The municipality adopted the reviewed Spatial Development Framework in September 2009 which provides general direction to guide integrated development planning and decision-making as well over a multi-year period, and to create a strategic framework for the formulation of an appropriate land use management system. The compilation of a spatial development framework was identified as an important land use management project in the Lephalale municipality.

The framework is of purpose to inform the decisions of development tribunals and other decision-making bodies, as well as create framework for investor confidence. The spatial development framework for Lephalale municipality was adopted in June 2006. Lephalale municipality faces two significant problems which could be addressed, or at least improved in the process of development. The first is the situation of people living in the rural areas, where the SDF states that “The majority of the population is, however, located in the rural area with enormous backlogs in municipal infrastructure, housing, and social facilities. The challenge will be in the approach that will be followed from a spatial development perspective to rectify the existing “skewed” settlement pattern in these rural areas and to stimulate development in priority development nodes which takes cognizance of scarce and valuable natural resources and to enable the cost effective provision of municipal infrastructure and social facilities.

The second is the fragmented nature of current urban development found in Lephalale, especially in and between the original town and Onverwacht. The huge open spaces and the distances between towns affect delivery of all services and the day to day activities of the community negatively, and detract from the quality of the urban environment. The objective of the municipality is that development should preferably be targeted at infill development in areas determined as priority development areas. During the master planning process it became evident that this is possible to a limited extend only. The SDF however took cognizance of this challenge, and made specific provision for future development and growth to ensure the linkage and integration of Marapong with Onverwacht and Lephalale/Ellisras.
The construction of Medupi power station which started in 2007 is already putting pressure on the municipality for the provision of more potable water, electricity and expansion of waste water treatment systems. The influx of people from

surrounding areas and outside the municipality has lead to a growth in informal settlements. The municipality has forged good relations with traditional authorities under which the majority of residents are staying in communal land.
Since 1996, the local authority has spent most of the budget to provide basic infrastructure in rural areas to catch up with arrears with excellent and visible results.

**Provincial Growth Point: Lephalale town**

Lephalale town with Marapong, Onverwacht and Elisras as its nodes is classified as a Provincial Growth point (PGP). In terms of the spatial rationale a PGP is the highest order in the hierarchy and therefore also the most important type of growth point. All the PGPs have a sizable economic sector providing jobs to many local residents. They have a regional and some a provincial service delivery function, and usually also a large number of social facilities (e.g. hospitals, tertiary educational institutions). All of them have institutional facilities such as government offices as well as local and/or district municipal offices. The majority of these provincial growth points also have a large number of people.Lephalale town has most of these elements and is a potential national 'energy hub'. As a result it is a node of national importance. Noting the coal based development pressures and the disjointed nodes within the PGP, the SDF provides for Spatial Development Areas (SDA) and Potential Development Areas (PDA). This is meant to create a special interest in systematically integrating the nodes while also ensuring a framework to address national development imperatives.
Spatial development area (SDA) defines areas which can be considered for development at different development junctures of the town. This SDF provides for three such areas and also introduce the notion of sequencing land release for development. Potential development area (PDA) denotes those areas that ordinarily would not be considered for development in the short-term or prior to full development of the SDA's, however, are being considered due to national development imperatives.

**SDA 1: Spatial Development Area 1**

Spatial Development Area 1 includes areas designated as priority development areas. It includes the remainder of Altoostyd 506-L, Paarl 522-LQ, Schaalpplaats 524-LQ, Waterkloof 408-LQ and Onverwacht .. LQ. Peerboom 466-LQ and Groothoek 504 –LQ north of the proposed primary collector route are also part of the SDA1. The designated areas are in proximity to and forms natural extension of existing development.
The farm Eendracht 505-LQ. is a potential integrator between Marapong and other nodes of the Lephalale town. It is designated SDA1, however, due to environmental concerns a full environmental investigation is required prior to allowing any development on the farm.

***SDA 2: Spatial Development Area 2***

Spatial Development Area 2 this designated area consist of developable land removed from the existing development. Thus, if developed prior designated SDA 1 will only promote the current disjointedness of the town and contribute to urban sprawl. A formal Council resolution will be required to open the area up for development. At least 80% of SDA 1 should be fully developed prior to considering development applications in SDA2.

***SDA 3: Spatial Development Area 3***

Spatial Development Area 3 has assumed a character of mixed non residential land-use driven by mining and energy. This form of development should be encouraged in this area. Developments related to such land-uses might be considered without linking approvals to the state of development in SDA 1 and 2. It includes Zwartwater 507- LQ, Hanglip 508 –LQ and Grootestryd 465-LQ.

***PDA1: Potential Development Area 1 (Steenbokban node)***

Steenbokpan was correctly identified as a future development node in the previous SDF. Noting national development pressures on the municipality, the area is upgraded to a level of a potential development area.
Potential Development Areas 1 and 2 are part of the area zoned mining. This zone is further categorised into mining one and mining 2. Mining one denotes areas where mining production is in progress. Mining 2 on the other hand, depicts areas with known mineral reserves whose economic viability has not been established.
Energy demand in the country and international petroleum market resuscitated demand for coal based products. The coalfields west of the Lephalale town are expected to be a theatre to stage the new power station already in progress and the potential 'mafutha' project by SASOL. Anglo coal is known to be involved in exploration activities in this area.
It is expected that beneficiation of coal to either gas or liquid will require certain down and upstream industries in close proximity. For this, certain special development considerations need to be conceded to support the development of these industries. These are development of national magnitude in terms of addressing the energy issues and their contribution to ASGISA in terms of job creation.

Potential Development Area 1 is designated to accommodate developments of this nature. It involves the entire coal reserve up to the border of Botswana. Steenbokpan is the epicentre of this PDA. This means that specialized developments such as industrial parks, residential developments linked to operations may be considered through special resolution of Council. To avoid misuse of this concession a clear motivation linking a particular land-use to the main mining or industrial operation need to be submitted to council for approval. Council is expected to consider each application on its merits.
More development guidelines are provided in the action plan. This includes the following farms Theunispan 293 LQ and Vangpan 294 LQ. It designate a broad area for development with the CBD located at the road intersection.

***PDA1: Potential Development Area 2 (Stockpoort node)***

The coal reserve west of Lephalale seems to cover vast square kilometres without breaking. Thus, providing for land-uses without sterilising the mineral resources is a key challenge. While proximity to the coal source and other related industries is essential, a compromise might be required to avoid mineral sterilisation. Stockpoort and surrounding areas have a few farms without known coal reserve. These include Stockpoort 1LQ, Manchester 16 and Richmond 4LQ. The farm Bilton 2 LQ has some coal reserve on its north eastern border. It therefore provides a logical location for development. To accommodate this eventuality the area is designated potential development area two (2).
Developments in PDA 2 will also need special Council resolution. Development applications need to prove that the development is addressing the national imperative as in PDA 1. Each development will be considered by Council on its own merit. Map 4.2 indicates farms as potential development area. The principle is to locate the CBD is at the road intersection expanding southwards. No land-uses are determined, however, mixed land-uses including heavy industrial use maybe considered. As in PDA1 development application should be considered by Council based on their merits.

**Population Concentration Points (PCP)**

Population concentration points are categorised as second order settlements in the spatial rationale. They are home to a high number of people without any substantial economic base. They may be single settlements or a cluster of settlements. PCP's offer some degree of social services and low level business needs. Setateng and Ga-Seleka are the PCP areas in the Lephalale municipality.

**Setateng PCP**

The status quo analysis confirms that a number of settlements in this PCP are functionally integrated and the trend is likely to increase in the future. Thus, the proposal by the SDF, (2006) to consider a certain portion this PCP as municipal growth point is affirmed. This PCP includes the following settlements of Setateng, Ga-Monyeki and Mmatladi, including Witpoort and Thabo Mbeki. It has a total population of approximately 11,000 persons.It is proposed that this area be utilised for future residential and business development, whereas industrial development should be encouraged at areas
with existing rights, such as Ga-Seleka to the south of Mokerong.Development should rather commence adjacent north and south of District Road D3110 at the intersection of District Roads D3104 and D3110.

***Development Guidelines Thabo Mbeki/Witpoort MGP***

A localised development masterplan might be required to guide the growth of this area. However, the most priority agenda should be to formalise the adjacent areas, introduce a functional land-use management tool. In the absence of that the threat of land invasion and the sprawl of informal settlements remain high.

Development guidelines for the area are outlined below. It should be noted there may be land-uses or a mix of land-uses that may require elaborate guidelines. In such instances consideration should be given to comprehensive guidelines in section 4 of the document.

*i) Residential Development:*

Residential development in this area should be formalised around the existing Thabo Mbeki Extension and Thabo Mbeki Extension 1, due to the availability of bulk services. Other informal areas should not, where possible, be formalised.
Rather attract residents in informal areas to the formal areas in order to provide both security of land tenure and better quality services. These formalised areas should also provide easy regulatory measures for land use control.Development inundated by the 1:100 flood line should not be encouraged.

*ii) Business Development*

Business development should be focused on already formalised areas in order to ensure proper mitigation measures for the local authority. Business development should be adjacent to major roads and crossing as far as deemed possible in order to provide proper accessibility from tar roads in order to cater for a higher amount of traffic. Business development inundated by a 1:100 flood line should not be encouraged, if no flood line is available, development within
100 meters from the river areas are restricted.

*iii) Other Land Uses:*

Industrial development should not be encouraged within the Thabo Mbeki /Witpoort area and rather be developed either in Lephalale or Ga-Seleka, due to the possible harmful effects on the riverside areas.

No new cemeteries should be encouraged in close proximity to the riverside areas, as well as within areas close to boreholes due to possible groundwater contamination.

**Ga-Seleka PCP**

Ga-Seleka Population Concentration Point, which includes Ga-Seleka and Bossche Diesche, Kauletsi and Mohlasedi. The total population of this node is estimated at 10,000 persons. It is important to understand the growth and development trends of the individual settlements within this PCP. The village with high growth momentum and potential sustainability need to be identified as the nucleus of the PCP. This nucleus will require proper planning and resources in terms of higher levels of infrastructure services and provision of public and private sector services. This is in the interest of attracting people to a central place, improve thresholds for various goods and services and ultimately reduce the cost of providing services within this PCP.

**Local Service Points**

The chapter on status quo analysis identified the following local service points. The LSP's are not only strategic for the provision of certain level of services; they should be viewed as important potential residential areas. The entire District municipality has vast farming areas with workers trapped on the farms without security of tenure. These LSP's are strategic locations in the promotion of security of tenure. Thabo Mbeki (1,274), this forms part of the proposed municipal growth point together with Witpoort.

**Marnitz and Tom Burke**

These local service points houses 1,387 and 2,402 people respectively. Other than serving local population and pass through traffic on the N11 and R572, they seem not to have any other economic base.

There are two population concentration points at the second level of the spatial hierarchy. The Setateng population concentration point is located 30km east of Lephalale town and comprises the settlements of Setateng, Ga-Monyeki and Mmatladi. It has a total population of approximately 11,000 persons. The second population concentration point is Ga-Seleka, which is located 70 km northeast of Lephalale town. It comprises the three settlements of Ga-Seleka, Kauletsi and Mohlasedi. The total population of this node is estimated at 10,000 persons.

The next level of the spatial hierarchy comprises two small local service points, which are listed below with their population estimates in brackets:

- Thabo Mbeki (1,274)
- Tom Burke (2,402)

Lephalale has 34 small, scattered settlements that are located between the two population concentration points. The total population of these settlements is estimated at 27,000, which is an average of only 800 persons per settlement.

It is estimated that more than 18,000 persons live on farms that are spread throughout the municipality.

### 1.2.2 Development Corridors

The primary corridor in Lephalale Municipality is national road N11 that runs from Mokopane in a north-westerly direction via Baltimore and Tom Burke to Groblersbridge, which is the border post to Botswana. This road is in a good condition. Specific sections of road are currently under construction, having been completed to create an east-west corridor from Polokwane via Gilead and Marken to Lephalale. The R518 provincial road links the population concentration point at Setateng with Lephalale town. The D3110 traverses through the rural villages from Seleka to Setateng in a northeasterly direction linking R572 and R518.
The R33 is a provincial road from traverses through Modimolle to Lephalale. It is mostly used for passengers and goods in support of new coal mining and electricity generation developments in Lephalale town, but is urgently in need of upgrading. This need has been expressed in several documents in the past and is also reflected in the provincial growth and development strategy.
A southern by-pass P198/1 linking R33 at the site junction of R510 with the mine and power station sites is urgently needed to keep heavy transport and construction vehicles off the town roads. Provincial road R510 from Thabazimbi to Lephalale is also important. The extension of this road into R572 link Lephalale town with the population concentration point at Ga-Seleka. There is a dedicated railway line from the Grootegeluk Coal Mine to Gauteng via Rustenburg and an airstrip that is intended to be upgraded in the foreseeable future in Lephalale town.

### 1.2.3 Land Tenure

A land reform issue within the municipal area encompasses a complex array of challenges located within the sphere of land access, land tenure, land restitution and land administration. Numeral land claims have been lodged with the land restitution commission. Approximately 197 831ha representing 14.1% of the total municipal area is subjected to land claims. There is still a skewed distribution of land among the residents of the municipality, especially on racial basis. At this stage the potential impact of these claims on land use planning and management is unknown.

Private ownership is the most prevalent form of land tenure found in Lephalale Municipality. This applies to Lephalale town, to almost all the local service points and to all farms. Communal land ownership applies to all the population concentration points and to all the 38 scattered villages. The total surface area concerned comprises almost 10% of the municipal surface area. Ownership of communal land is technically vested in the national government, but the land is used by local residents.

A third form of land tenure applies in Marapong Township. This is referred to as a deed of grant in terms of a proclamation that has become obsolete after the first democratic election of 1994. A deed of grant is less than full ownership. Since 1994, some of the deeds of grant have been converted to full ownership in terms of the Extended Benefit Scheme. Large tracts of land in Marapong are owned by the Limpopo Department of Local Government and Housing. The IDP points out the urgent need for ownership of this land to be transferred to the local municipality.
Almost 200 land claims, representing 14.1% of the municipal area, were lodged in 2001.

### 1.2.4 Land Uses and Land Claims

Of the 197 831ha that constitute the municipal area approximately 14.1% thereof is subjected to land claims. The table below also indicates that only 28 land claims in Lephalale has been gazetted.
Only 52 of these claims were accepted. It is further illustrated that 28 of these accepted claims have been settled and the rest are in different stages of investigation and negotiation. Apart from the land claims (restitution), there are 344 land redistribution projects in Lephalale Municipality comprising a total area of 62,590 hectares. It is further apparent that the majority of land claims (197) in total are under investigation.
The different land uses comprise businesses, offices, industrial parks, residential and institutional. There is still a skewed distribution of land among the residents of the Municipality, especially on racial basis. This unequal distribution of land is a national phenomenon. As a result, the democratic South African government showed it's committed towards addressing this problem through introducing land reform programmes, which took the form of redistribution, restitution and tenure. The restitution programme triggered a huge response from black communities, as they were heavily affected by the apartheid dispossessions. There were 197 claims that some affected residents of Lephalale Municipality lodged in 2001. A total of 197 831ha represented the area under claim. At this stage the potential impact of these claims on land use planning and management and socio-economic development is unknown.

**Table 1.1. Settled restitution land claims in Lephalale municipal area**

| Fin year | Claim project | Approval date | No of rights restored | Rural | Urban | Land owner | Total | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Private | State | |
| 04/05 | Morongwa community | 04/08/13 | 1 | 1 | | 319 | | 319 |
| 05/06 | Tale Ga-morudu Tripe Phase 2 | 06/01/31 | 2 | 0 | | 3415 | | 3415 |
| 06/07 | Mosima,Majadibodu and Mabula, Mosima | 06/07/10 | 8 | 3 | | 9412 | | 9412 |
| | Batlhalerwa community: Shongoane Phase 1 | 06/11/29 | 11 | 1 | | 7720 | | 7720 |
| 07/08 | Batlhalerwa community: Shongoane Phase 2 | 07/05/25 | 2 | 0 | | 1535 | | 1535 |
| | Batlhalerwa community: Shongoane Phase 3 | 08/03/17 | 5 | 0 | | 5830 | | 5830 |
| | | | 309 | 23 | | 31190 | | 31190 |
| 08/09 | Majadibodu community: Phase 2 | 08/04/11 | 3 | 0 | | 1713 | | 1713 |
| | Mabula – Mosima Community; Phase 3 | 08/04/16 | 2 | 0 | | 959 | | 959 |
| | Mabula- Mosima | 09/01/27 | 1 | 0 | | 859 | | 857 |

**Source: Land claim commission, 2009**

Redistributive land reform cannot in itself ensure municipal economic development, but it is a necessary condition for a more secure and balanced civil society. It is an essential precondition for the success of government's growth, employment and redistribution strategy. In contributing to conditions of stability and certainty, land reform is a necessary element of sustainable growth. Department of Agriculture is investigating programme for rehabilitation of claimed land.

**Table1.2 Outstanding Land claims in Lephalale Municipal area**

| KRP NUMBERS | PROPERTY DESCRIBTION | CLAIMANT | STATUS |
|---|---|---|---|
| 2.KRP 6280 | New Belgium 608 LR | Mr. L.E Seemise | Further Investigation |
| 3.KRP 1799 | Manamane 201 KQ & others | Lucas Mfisa 073 0925 482 Samuel Mfisa 082 830 900 | Further Investigation |
| 4.KRP 1617 | De Draai 374 LR & Salem 671 LR | Mr. Bellingani D.P | Further Investigation |
| 5.KRP 2432 | Essex 71 LR & Other | Mr. Mocheko K.A | Further Investigation |
| 6 KRP 519 | Rooikop 277 LR | Mr. Kok JF | Further Investigation |
| 7.KRP 515 | Steenbokskloof 331 LR & Other Farms | Mr. Kluyts HPJ | Further Investigation |
| 8.KRP11316 | Zeekoeigat 42 LQ& Other Farms | Mr. Lebodi MJ | Further Investigation |
| 9.KRP 1564 | Melkbosch125 LR & Others | Kgoshi ZT Seleka | Under Investigations |
| 10.KRP11283 | New Belgium 608 LR | Mr. Gouws JF | Under Investigations |
| 11.KRP 1588 | Spektakel 526 L.R | Monyeki N.I | |
| 12. KRP 2479 | Bellevue 74 LQ | Maluleka F.F | Further Investigation |
| 13.KRP 1614 | Nora 471 LR | Shongoane M.A | Further Investigation |
| 14. KRP 12327 | Waterval(unclear) | Tlhabadira RM | Further Investigation |
| 15. KRP 2432 | Essex 71 LR & others | Seleka Tribe | Further Investigation |
| 16. KRP 6630 | Rooipoort 660 LQ | Nkwana FA | Further Investigation |
| 17. KRP 2480 | Bellevue 74 KQ | Molele PV | Further Investigation |
| 18. KRP 7297 | Unclear | Tayob AB | Further Investigation |
| 19.KRP 11913 | Serville 587 LG | Schabart CP | Further Investigation |
| 20. KRP 12319 | Unclear | Shadi Lebipi | Further Investigation |

**Source: Land claim commission, 2009**

## 2. DEMOGRAPHICS

The present population of the Municipality consists of three components, which are the urban population residing in formal towns namely, Lephalale, (Onverwacht/Ellisras) and Marapong, the population residing in rural villages found in an area roughly 600 square kilometers northeast of Phalala River, and the rural or farming population. Currently the majority of people in the municipal area reside in the 38 villages.
The community survey conducted in February 2007 by statistics South Africa produced results indicating a population estimate of 80 000 only but household numbers of 23 745. The average household size of 3.3 while it is known that the majority of Lephalale actual figure is 4.1. indicates that these figures are probably incorrect and it is proposed that it be disregarded for the purpose of this planning cycle.
The current population of Lephalale for the IDP have been based on various sources of information, housing development programmes and surveys conducted at 114 595 which translates into 27 950 households.

### Age and gender profile

| Age group | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75-79 | 80 + | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Male | 6238 | 6362 | 6667 | 6232 | 6297 | 6153 | 4668 | 4293 | 3346 | 2407 | 1546 | 1086 | 1096 | 788 | 602 | 432 | 306 | 58515 |
| Female | 6009 | 6249 | 6512 | 6388 | 5449 | 4542 | 4204 | 4056 | 2887 | 2808 | 1956 | 1241 | 1183 | 910 | 692 | 587 | 407 | 56080 |
| Total | 12247 | 12611 | 13179 | 12620 | 11746 | 10695 | 8872 | 8349 | 6233 | 5215 | 3502 | 2327 | 2279 | 1698 | 1294 | 1019 | 713 | 114595 |
| Percentage | 10,6% | 11% | 11,5% | 10% | 10,3% | 9,3% | 7,7% | 7,3% | 5,4% | 4,6% | 3% | 2% | 2% | 1,5% | 1,1% | 0,9% | 0,7% | 100% |

More than 51% of the population in Lephalale is male, compared to a female dominance of 54, 6% for Limpopo province. This can be attributed to the high incidence of contract workers and young male professionals coming into the municipality. Almost 54% of the population is of working age (between 19 and 64 years old) compared to 42% for Limpopo province. Population for school going age (42, 8) is lower than the provincial average age of (53%).

## 2.1 SOCIO ECONOMIC PROFILE

**Table1.3 socio economic profile**

| ANNUAL HOUSEHOLD INCOME | | |
|---|---|---|
| **Income categories** | **Households** | **Percentage** |
| No income | 5,139 | 18,3% |
| R 1- R 4 800 | 5,956 | 21% |
| R 4 801- R 9 600 | 6,837 | 24,1% |
| R 9 601- R 19 200 | 3,900 | 13,9% |
| R 19 201- R 38 400 | 2,368 | 8,1% |
| R 38 401- R 76 800 | 1,922 | 6,8% |
| R 76 801- R 153 600 | 1,401 | 5% |
| R 153 601- R 307 200 | 533 | 1,9% |
| R 307 201- R 614 400 | 118 | 0,42% |
| R 614 401- R 1 228 800 | 48 | 0,17% |
| R 1 228 801- R 2 457 600 | 43 | 0,15% |
| R 2 457 601 & more | 17 | 0,06% |
| Not Applicable | 27 | 0,10% |
| Total | 27,950 | 100 |

Approximately 64% of the total households earn less than the minimum level of income, which is less than R800 a month. More than 75% earn less than R1 600 per month. The low-income levels are a clear indication of the number of households in the municipal area, which struggle to make ends meet. The majority of the households in the low income levels are located in the rural areas. There is a definite increase in households in urban areas with low levels of income. It has a direct bearing to the level of services, which can be afforded by people in both urban and rural areas.

## 3. Basic Service and Infrastructure investment.

### 3.1 THE WATER INFRASTRUCTURE

#### 3.1.1 Introduction

All the water for the urban area of the LM originates from the Mokolo Dam. Grootegeluk Coal Mine originally built the main supply lines, pump station, balancing dams and water purification works in the urban area. The supply, as well as routine maintenance of the dam (as agent for DWAF) is still done by Grootegeluk Coal Mine. In the case of the Marapong township, which is situated near the mine/power station, purified water is supplied to the municipality by Matimba Power Station. Even though the municipality have benefited to date from the investments made by Exxaro and Matimba in the past there is a concern that as Water Services Authority, and considering long term development and implications, the municipality should have ownership of infrastructure required to provide water and sanitation services.

The rural area is currently divided into 4 different water services scheme areas. The rural areas all obtain their water from groundwater by means of boreholes (about 85% from boreholes and about 15% from well field type boreholes in the riverbed alluvium). The water is pumped to storage reservoirs and is then distributed to the consumers. The consumers obtain their water from either street taps or from illegal yard taps. There are a total of approximately 72 boreholes, which were mostly owned and operated originally by DWAF, but which has been transferred to the Municipality under DWAF's National Transfer Policy in 2004.

#### 3.1.2 Bulk water infrastructure

Water is pumped from the Mokolo dam to the Wolfenfontein storage dam, from where it gravitates down to the Zeeland water purification plant and the purification plant at Matimba power station. Bulk raw water gravitates down to the Grootgeluk Mine and

Eskom's Matimba power station. Lephalale and Onverwacht are supplied with water that gets purified at the Zeeland Water Treatment Works (owned and operated by Exxaro Resources). The effluent gets treated at Paarl Waste Water Treatment Plant.

Marapong receives its water from the purification plant at the Matimba power station. The effluent of Marapong drains to Zongesien and Nelsonskop waste water treatment plants. Irrigation farmers, the Mogol Irrigation Board, along the lower reaches of the Mogol River also receive their water from the Mokolo Dam.

### 3.1.3 Water availability in rural areas.

According to the water service development plan "starter requirements" approximately 73.3% of the rural population has access to water that have to be carried/carted 0-200m, while 16.7% of the population has access to water that is 200-500m away from the point of use. This implies that 10% of the rural population does not have water that falls within RDP standard of maximum cartage distance of 200m from point of use (i.e. resident/house).
In Lephalale, one-third of households do not have access to water in the dwelling or yard, but have to make use of community stand pipes. In Marapong this figure is somewhat lower (20% of households make use of community stand pipes) more than half of the households have access to water inside their dwelling. In ward 3 and town Lephalale, approximately 75% of households have access to water inside their dwelling, while 20% have a tap in the yard. The remainder makes use of community stand pipes.

#### 3.1.4 Water demand

Future Annual Average Daily Demand (AADD) was calculated for the various growth scenarios described in Section 4 of the master plan. The calculations were based on the following assumptions:

- The number of residential units in Ellisras/Onverwacht and Marapong will be as per Tables 4.3 and 4.4, included in Section 4 of the master plan.

- Sixty per cent of all residential units will be Res 1 units, 30% will be Res 2 units and 10% will be Res 3 units.
- Stand sizes in the Ellisras/Onverwacht area will be larger than in the Marapong area. An average density of 10 stands per hectare was assumed for Res 1 developments in the Ellisras/Onverwacht area and the average density assumed for Res 1 developments in the Marapong area was 18 stands per hectare.

- The AADD for residential erven will be as follows:
  - For larger Res 1 stands (density = 10/ha) = 1 500 ℓ/day/stand
  - For smaller Res 1 stands (density = 18/ha) = 1000 ℓ/day/stand
  - For Res 2 units in Ellisras/Onverwacht = 1000 ℓ/day/unit
  - For Res 2 units in Marapong = 750 ℓ/day/unit
  - For Res 3 units in Ellisras/Onverwacht = 750 ℓ/day/unit
  - For Res 3 units in Marapong = 600 ℓ/day/unit.
- Business areas will develop as follows:
  - As a result of Medupi and the associated expansion of the Grootegeluk Coal Mine: At a rate of 5 hectare per annum, from 2007 until 2016
  - As a result of a future power station, with its associated coal mine activities: At a rate of 5 hectare per annum, from 2017 until 2023.
  - As a result of Sasol establishment: At a rate of 5 hectare per annum from 2012 until 2017
  - After completion of the last of the above, at a rate of 2,5% per annum.
- Industrial and commercial areas will develop at the same rates as business areas

- Mixed land use areas will develop as follows:
  - As a result of Medupi and the associated expansion of the Grootgeluk Coal Mine: At a rate of 2 hectare per annum, from 2007 until 2016

- As a result of a future power station, with its associated coal mine activities: At a rate of 2 hectare per annum, from 2017 until 2023
- As a result of Sasol establishment: At a rate of 2 hectare per annum from 2012 until 2017
- After completion of the last of the above, at a rate of 2,5% per annum,

- Educational areas will develop as follows:
  - As a result of Medupi and the associated expansion of the Grootegeluk Coal Mine: At a rate of 6 hectare per annum, from 2007 until 2016
  - As a result of a future power station, with its associated coal mine activities: At a rate of 6 hectare per annum, from 2017 until 2023
  - As a result of Sasol establishment: At a rate of 6 hectare per annum from 2012 until 2017
  - After completion of the last of the above, at a rate of 2,5% per annum.
- Ninety per cent of business developments will take place in the Ellisras/Onverwacht area and ten per cent in Marapong
- Industrial and commercial developments will only take place in Ellisras/Onverwacht and not in Marapong.
- Eighty per cent of mixed use developments will take place in the Ellisras/Onverwacht area and twenty per cent in Marapong.
- Seventy-five per cent of educational areas will be developed in the Ellisras/Onverwacht area and twenty-five per cent in Marapong.
- AADD for business, industrial, commercial, mixed use and educational developments will be:
  - Business: 27,5 kℓ/ha/day
  - Industrial: 13,75 kℓ/ha/day
  - Commercial: 14,4 kℓ/ha/day
  - Mixed use: 18,5 kℓ/ha/day
  - Educational: 10 kℓ/ha/day for areas larger than 10 ha
    : 12, 5 kℓ/ha/day for areas between 2 and 10 ha in size.

### 3.1.5 Water losses

Water losses of 15% were assumed for the purpose of determining required water supply to water treatment plants and reservoirs.

### 3.1.6 Peak Factors

The following peak factors were assumed:

- Summer peak factor, applied to water supply to water treatment plants and reservoirs: 1,5.
- Instantaneous peak flow between reservoirs and consumers: 4 determined in accordance with Figure 9.9 of the Guidelines for Human Settlement Planning and Design.

## 3.2. Selected Growth Scenario and Planning Horizon

In terms of the planning horizon, Scenario 5 was the guiding precedent as it materializes, i.e. Medupi Power Station is built, Medupi would be provided with coal by Exxaro's Grootegeluk Coal Mine and Sasol would establish a synthetic fuel plant in the area. However, Sasol have not committed to do so.

The difference in AADD between the various scenarios is large. For example, the AADD for Scenario 1 (only Medupi is built, supplied with coal by Exxaro), including the Marapong low cost housing project, will be 23 230 kℓ/day in 2026, whilst the AADD for Scenario 5 (Medupi is built, supplied by Exxaro, and in addition Sasol establishes), also including the Marapong low cost housing project, will be 40 208 kℓ/day in 2026.Given the uncertainty surrounding Scenarios 2 to 7 and the large difference in the water demand of these scenarios, coupled with the significant difference in cost of infrastructure required to supply the water demand, the selection of a scenario other than those that are certain to happen, cannot be justified.

The only certainty is that Eskom is currently building the Medupi Power Station and that Exxaro is expanding their Grootegeluk Coal Mine to supply the new power station with coal. This development forms the basis of Scenario 1. The low cost housing project in Marapong is completed.

A planning horizon of twenty years from the base year is considered. It was against this background that planning was be based on the requirements predicted for the year 2026. The year 2026 and the expected water supply requirements in that year have been considered. The provision of bulk infrastructure will be phased, though, taking due cognizance of the consequences should any of

the other scenarios materialize. The effect of any scenario, other than the selected Scenario 1, occurring in future will obviously be that the infrastructure constructed or under construction will have to be further upgraded earlier than anticipated.

### 3.2.1. TECHNICAL SOLUTIONS

- **Water treatment**

The capacity of the Zeeland WTP is nominally 20 Ml/day, but the capacity under conditions with moderately turbulent raw water is limited to 14 Ml/day. The plant is already running at maximum capacity during peak demand. Peak daily demand is estimated at 19.75Ml/day. The plant belongs to Exxaro mine, which has done investigations and commissioned the design for upgrading and extensions. An option considered is the transfer of the plant to the municipality in the near future, whereby both the Municipality and Exxaro have concluded an agreement to upgrade the treatment plant. A service agreement for the operation and maintenance by a suitable service provider would be investigated through the section 78(3) process, For Marapong the present supply from Matimba power station is 50 Ml/month with a peak of 3 Ml/day. Present consumption is less than theoretical demand and the municipality has already tendered an application for additional water use to DWA.

- **Bulk Storage**

The storage capacity for Lephalale/Onverwacht which consists of three reservoirs at the WTW and two in town is 25 ml or 58 hours storage. This has decreased to 36 hours in 2009, and additional capacity will therefore be required within the three year period. The transfer of water from the treatment plant to the new 10 Ml bulk storage reservoir at Zeeland WTW need to be addressed to enable the full capacity of the reservoir to be utilised. For Marapong the present storage of 4.5 Ml equates to an estimated 60 hours storage. According to estimates the increase in demand will result in a decrease in storage to less than 36 hours by 2010, and additional storage volume is required as there are already plans to increase storage capacity in this regard.

- **Bulk distribution: potable water**

The demand for the bulk pipeline from the water treatment plant to the town is already exceeding the capacity of 200 l/s. The 450/400 mm dia pipeline from the WTW to the town which is approximately 8 Km in length needs to be augmented with a new pipe line, the size to be determined. Additional bulk lines totalling 11 Km ranging in size from probably 300mm to 500 mm in diameter depending on the results of detailed analysis will be required from this point to feed the Lephalale and Rupert street reservoirs. Supply from Zeeland treatment plant to Marapong and the heavy industrial area will require bulk pipelines totaling 14, 6 Km with the size once again depending on final analysis.

- **Recycling of waste water**

The use of treated effluent from Paarl WWTP (Lephalale/ Onverwacht) and the Nelsonskop and Zongesien treatment plants by Exxaro mine (treated effluent can be used for the bulk of process water required) can reduce potable water demand from Mokolo and future sources. The mine is currently using approximately 7 Ml/day raw water excluding process water re-used and ground water. This is expected to increase to 35 Ml by 2017. This will have a significant impact during the interim period when total water for Lephalale demand will probably exceed currently available sources. The construction of a (at maximum) 400 mm dia pipeline of 5 Km from Nelsonskop WWTW effluent buffer dam to Exxaro would be a first priority and can contribute an estimated 1.6 Ml/day increasing at 22 % per annum. Supply from Paarl WWTW requiring a pipeline of 19 Km with diameter depending on the long term need of Exxaro could contribute 2 Ml/d from 2009 growing at 25 % per annum or more.

- **Bulk water supply for villages**

The situation regarding village bulk source availability requires thorough investigation. Previous studies, available knowledge and expertise on the ground water availability and quality and current situation will be used to determine and evaluate the need and optimum solutions. The possible options for utilising the natural resources available to create or facilitate opportunities to combat poverty will also be explored since the majority of the community (which comprise more than 60% of the present population of Lephalale) are unemployed and very poor.

- **Geotechnical overview**

A high level geotechnical survey needs to be done to establish the feasibility with regard to proposed technical solutions. Previous funding allocations and studies did not make provision for a full scale geotechnical investigation, which would be preferred taking into account the urgency for infrastructure provision.

- **Environmental Impact Assessment**

A basic assessment should be completed for projects to be implemented as a direct output. Where appropriate an application for exemption should be prepared and submitted to the department. As for the geotechnical investigation and considering the typical duration of an EIA it would have been advisable to conduct EIA's to the required level (scoping or full EIA) for all the infrastructure developments to be implemented in the short term.

- **Design Inputs**

Ideally preliminary designs for the proposed infrastructure would have been completed as part of the Implementation-ready Plan. Additional funding for this aspect may be limited and sufficient only for design inputs required to enable the municipality to procure and appoint professional service providers for the design and implementation of the respective projects.

- **Review Existing Infrastructure**

The functionality and remaining useful life of the existing water infrastructure is an important factor in the service levels and the future costs for service provision. The serviceability and the status of existing infrastructure as captured in the Asset Management Plan will therefore be investigated and reviewed, and recommendations on the implementation of IAM done.

- **Ownership and Operations**

The significant development in Lephalale and provision of new infrastructure plus the implications it will have on the management, operations and maintenance of water and other services presents a challenge and an opportunity to the municipality to determine and review options for ownership, financing and responsibility to operate and maintain infrastructure and services. The municipality will be assisted to explore opportunities to render services most effectively and to the best advantage of the municipality and the consumers.

- **Water Conservation and water demand management**

The implementing of measures to conserve water and to manage the water demand is important. The municipality has started this process during 2007/08. A framework for implementing WCWDM throughout the municipality is required to ensure the optimized use of water sources and to minimize the requirement for augmentation.

- **Financial management**

Effective financial management is required to ensure sustainability of water services. The municipality will be assisted to evaluate the long term implications of expenditure relative to expected income taking into account the actual and the probable future rate of cost recovery, considering the impact of services for indigents and grant income. Water tariffs will be affected by rising costs, the higher cost of water imported and demand management and the impact will be assessed.

- **Organisational and institutional capacity**

The present organizational structure and institutional situation will be reviewed to establish the capacity of the municipality. A recently completed status quo assessment in terms of Section 78(1) of the Municipal Systems Act will assist in this regard. The impact of the future development on the organization will be explored to determine future needs and to assist the municipality in decisions regarding alternatives regarding optimal service delivery methods and options. Recommendations will be made regarding the future organizational and capacity requirements and development required.

- **Capital Investment planning**

The municipality will have to fund the necessary bulk as well as link and other services except in so far as the provision of basic services and some of the institutional and social requirements. The financial impact will be very substantial and the need to provide capacity all of which will not be utilized immediately will increase the initial financial burden further.

- **Life Cycle Management**

The need to ensure affordability and the optimal return on the substantial investments to be made in the long term require effective asset management policies and procedures to be implemented. This will maximize the benefit from investments while ensuring that appropriate service levels be maintained and risk minimized. Lephalale has developed an IAMP for water. The policies and recommendations for improvement have to be reviewed and implemented.

- **Risk assessment**

The risks involved in the responsibility of the municipality to provide bulk water services may be considerable. Developing and providing the infrastructure for the service also entails risk. A review of potential risks the municipality may encounter as a result of the growth relative to the effective supply of bulk water services will be prepared, assessed and mitigation measures developed as part of the section 78(3) feasibility study.

**Table 3.1Household access to water.**

| HOUSEHOLD ACCESS TO WATER | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Community survey 2007** | | | | | **DWAE 2008** | | | | | **Municipal Source 2009** | | | | |
| Total households | Households access to water | Households access to water as % | Households below level of service/ backlog | Households below level of service/ backlog as % | Total households | Households access to water | Households access to water as % | below level of service/ backlog | Households below level of service/ backlog as % | Total households | Households access to water | Households access to water as % | below level of service/ backlog | Households below level of service/ backlog as % |
| 23,744 | 20,351 | 85% | 3,393 | 14,3% | 26,610 | 25,282 | 95% | 1,328 | 5% | 27,950 | 27,059 | 96,8% | 6,304 | 22,6% |

| FREE BASIC WATER | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **STATS SA Census 2001** | | **MUNICIPAL SOURCE 2008** | | | | | | | |
| Total households | Total indigents households | Total households | Total indigents households | Variance (Census vs. Municipal | Total indigent households served | Total indigent households served as % | Other households served | Total households served | Total households served as % |
| 28,359 | 14,944 | 27,950 | 5,522 | 9,472 | 7,898 | 83,4% | 9,872 | 17,488 | 97,9% |

Level of service description: Below basic = Natural source, Un-reticulated water point or Communal standpipe grater than 200m walking distance.

Basic= Communal standpipe greater than 200m walking distance
Full service= Yard or house connection

All household must have at least a basic level of water service by 2014, this include the housing projects. It is important that the water level of service be refined and that accurate figures are obtained in order to manage the eradication of backlog figures. Monitoring of the progress against the actual backlog figures are crucial in order to keep track of what is done and what needs to be done, also to monitor the water usage. This is important to ensure management of water sources and to accurately measure the water loss in the system. Water systems should therefore be properly planned and implemented to ensure effective and efficient water service delivery.

**Costing of bulk infrastructure components resulting from the internal bulk water supply study**

| Infrastructure | 2009 | 2010 | 2013 |
|---|---|---|---|
| 1.Zeeland Water Treatment Works upgrade to 20 extend to 40 Ml/day | R 80,000,000 | | |
| 2.Storage Capacity | | R 20,000,000 | R 20,000,000 |
| 3.Bulk Pipe Zeeland to Lephalale / Matimba split (850mm pipe) | R 10,000,000 | R 10,000,000 | |
| 4.Alternatively: Bulk Pipe Zeeland to Lephalale / Matimba split (2 X 650mm pipes) | R 13,000,000 | | R 13,000,000 |
| 5.Bulk Pipe Lephalale / Matimba split to 1st pumpstation (700mm pipe) | R 21,000,000 | R 21,000,000 | |
| 6.1st pumpstation to Onverwacht Reservoir (350mm) | R 5,000,000 | R 5,000,000 | |
| 7. 1st pumpstation to Lephalale Reservoir (assume 600mm) | R 17,500,000 | R 17,500,000 | |
| 8.From Lephalale / Matimba split to Marapong / Grootgeluk split (450mm) | R 8,000,000 | R 8,000,000 | |
| 9.Grootgeluk / Marapong split to Marapong reservoir (400mm) | R 7,500,000 | R 7,500,000 | |
| 10.Grootgeluk / Marapong split to Grootgeluk (300mm) | R 4,500,000 | R 4,500,000 | |
| 11.Effluent Pipe from Paarl to Grootgeluk (450mm) | R 29,000,000 | R 29,000,000 | |
| 12.Effluent Pipe from Marapong to Grootegeluk (250mm) | R 6,500,000 | R 6,500,000 | |
| 13.Bulk Pipe Lephalale / Shongoane Village (200mm pipe) | R 21,000,000 | R 21,000,000 | |
| 14.Booster pumpstation for Lephalale - Shongoane pipeline | R 500,000 | R 500,000 | |
| **Total cost per cycle** | **R 189,000,000** | **R 129,000,000** | **R 20,000,000** |

Progress has been made in sourcing funding for the above mentioned projects. Already projects 1-6 approximating R139m for the financial year 09/10 and R8m for 10/11 has been secured. That will alleviate pressure from the municipality to proceed with the bulk water supply. However, additional funding would still be required for projects 7-14 on the list.

### 3.3 Sewerage

The land on which Lephalale town situated is relatively flat. Sewers are installed at slopes exceeding the slope of the natural ground level and over relatively short distances become so deep that it must be pumped. Presently there are 23 pump stations in Onverwacht and Ellisras. All land around the developed areas is privately owned. The township layouts will be prepared by or on behalf of the land owners and the design of sewerage infrastructure will be carried out by their consultants. The requirements with regard to the placement and sizing of pump stations will be the product of the planning and design work undertaken by these developers. For these reasons it is believed that each developer should be responsible for the installation of any sewage pump station(s) and pump line(s) that he may require. Where feasible, when developments take place at the same time in the same area, these developers should be encouraged, if practical to construct infrastructure that they share. Sewage discharged from Onverwacht/Ellisras area is treated at the Paarl sewage treatment works.

The treatment works can treat 3.25ML sewage per day and presently it has no spare capacity. Immediate upgrading of the works is underway. In 2010 a capacity of 10ml will be required. More detailed planning is currently underway and separate report will be tabled in this regard. Sewage from Marapong is discharged to an oxidation pond system with a reported capacity of 300kl/day. Theoretically the volume of sewage discharged to this treatment works exceeds its capacity and immediate upgrading of this treatment works is also required. A capacity of 4.5ML will be required by 2026. An oxidation pond will no longer suffice. The rural villages are provided with VIP toilets for sanitation purposes.

**Table3.2 Household access to sanitation**

| HOUSEHOLDS ACCESS TO SANITATION | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Community survey 2007 | | | | | DWEA 2008 | | | | | Municipal source 2009 | | | | |
| Total households | Household access to sanitation | Household access to sanitation as % | Households below basic level of service/ backlog | Households below basic level of service/ Backlog as % | Total households | Household access to sanitation | Household access to sanitation as % | Households below basic level of service/ backlog | Households below basic level of service/ Backlog as % | Total households | Household access to sanitation | Household access to sanitation as % | Households below basic level of service/ backlog | Households below basic level of service/ Backlog as % |
| 23,746 | 9,101 | 38,3% | 14,645 | 61,7% | 26,610 | 14,216 | 53,4% | 12,394 | 46,6% | 27,950 | 23,125 | 82,7% | 4,825 | 17,3% |

## 4. Roads and Storm Water

### 4.1 Roads.

The roads in Lephalale are adequately connected to National, Provincial and District roads. The issue being experienced in terms of the roads in the municipal area is two-fold in nature. The first being the primary roads and related issues. These include the poor state of the roads due to limited maintenance. The poor state of these primary routes is having a detrimental effect on the distribution of goods, services and people in and through the municipality. Possible causes of this are lack of funds, human resources, equipment and capacity to maintain the existing infrastructure. The second element of this issue is the poor state of the internal circulation routes in the area (especially in the rural area). The causes of the poor state of these roads can be attributed to lack of appropriate road maintenance policies and funds, the category/type of the roads i.e. gravel roads carrying high volumes of traffic. The R33 road serve as a link between Lephalale and Modimolle municipality more especially for the delivery of machinery and equipment for construction of Medupi power station, expansion of Grootegeluk coal mine and future developments. This road needs special attention from Department of Roads and Transport and Road Agency Limpopo (RAL). The R33 feasibility study that link Lephalale to the coast via Marblehall has been completed and handed over to (DOR&T) and (RAL). Between Mabatlane and Lephalale the road gradient is too steep for abnormal heavy duty loads, therefore R510 and R517 are recommended for abnormal heavy duty loads. A short cut from Afguns to Medupi will divert heavy loads away from town and shorten over distance. A funding source for this project will have to be identified.

The southern by-pass provincial road P198-1 linking R518 to Medupi has been identified as one of the main critical routes. The Lephalale municipality will be responsible for bulk road infrastructure and individual developers of townships will have to provide all internal roads. There is concern on the rapidly degrading of many roads due to the increasing economic activities. Of the total length of municipal roads, some are paved and these are mainly in Marapong, Onverwacht and Ellisras respectively. The unpaved roads vary from dirt tracks to graded gravel surfaces. The current policy for improving municipal roads, as stated in the 2009/2010 IDP is to ultimately pave all municipal roads. Given limited resources and finances, interim 3 to 5 year programmes are prepared and updated annually to maintain existing assets to address serious problems, to improve access roads between villages and the higher order roads in conjunction with programmes of WDM, DOR&T, RAL and SANRA

### 4.2 Storm water drainage.

Just as the municipal road network is mainly rural in character, so are the related storm water drainage facilities. With the exception of most of the paved residential streets in Onverwacht and Ellisras which have kerbs, side channels, inlets and sub-surface drain pipe or open collector channels network. The majority of municipal roads in and between the rural villages carry storm water drainage at surface level in open lateral channels, in and across the roadways and occasionally in culverts under the road. The residential streets in Marapong do not have storm water drainage infrastructure.
Urban development in a catchment changes the run off characteristics therein, increasing the impervious areas and resulting in an increased quantity of storm water runoff as well as more rapid and frequent concentration thereof. The developer of a township is required to accept the potential storm water flow from the area of catchment upstream of the township and to manage this as well as the runoff generated within the development, through a well-planned and designed drainage system. Conventional drainage system should cater for frequent or minor storms. The guidelines for human settlement and design recommend the following design frequencies for minor system.

| Land use | Design flood recurrence interval |
|---|---|
| Residential | 1-5 years |
| Institutional (e.g. school) | 2-5 years |
| General commercial and industrial | 5 years |
| High value central business district | 5-10 years |

In many instances in Lephalale minor storm drainage systems will serve more than one land use, and it is proposed that the municipality should generally require that these systems be designed to accommodate the five year recurrence interval storm. A watershed is located along the western boundary of the development area of Onverwacht. Sections of the major storm infrastructure will have to be installed where it traverse the existing Ellisras in close proximity to Mokolo river. This is necessitated by existing developments and restricted space.

Two rivers drain Lephalale municipality, the Mokolo River which parallels on the east side of the R510 through Ellisras town and the Palala River which parallels on the west side of the D3110. Both rivers drain northwards to the Limpopo River. Storm water is the most source of damage to roads. The damage can extend from total destruction of a bridge or

culvert crossing to damage shoulders, road edges and destabilization of sub-grade and base course layers. Where roads are unpaved washing away of the wearing course results in rapid road degeneration and use of the road by motorized transport rapidly becomes impossible. Uncontrolled storm water and free drainage systems are therefore to be avoided. Lephalale municipality has road graders and related equipment for road maintenance. The Limpopo DOR&T also has a maintenance depot in Lephalale town from which maintenance of Provincial, District and some Municipal roads is conducted. Budget has been provided for development of a road maintenance programme for Municipal Roads that are unpaved. Due attention needs to be given in this programme to the related storm water drainage facilities to maintain the accessibility not only of vehicular travel but also of non motorized travel.

There is storm water channel backlog of 15518m in length and a bottom width of between 0,9m and 1,6m specifically around Onverwacht and Ellisras. Storm water backlog in the rural area is unknown but the area on the Southern part of Thabo Mbeki and Seleka wyk 2 (Mmatshwana) is frequently flooded during heavy rainy seasons by Palala river when it over flows. Storm water backlog in Marapong is still under investigation. Nonetheless, the estimates costs is around R2.6 billion.

## 5. ELECTRICITY

### INTRODUCTION

Lephalale Municipality has an electrical reticulation network supplying electricity to Onverwacht and the eastern region of Lephalale. The Lephalale electricity network is supplied from Eskom at 11kV via the Lephalale Main Substation next to the Onverwacht area.

The Eskom supply is generated at Matimba Power Station and fed via the Matimba Substation at 132kV. The Matimba Substation feeds the Eskom Waterberg Substation where it is stepped down from 132kV to 33kV. Waterberg Substation has two 132kV/33kV 20MVA transformers. From Waterberg Substation the power is fed via two Wolf conductor lines (approximately 8km each) to the main substation, at Lephalale. The substation has both an Eskom section with three 33kV/11kV 10MVA transformers and a municipal distribution substation from where the primary feeders are fed into the Lephalale network.

Lephalale is supplied with a 30MVA firm and no bulk and all three transformers are in service. Eskom has 20MVA firm capacity at Waterberg and 40 MVA if both 20MVA transformers are in service. Lephalale has a maximum demand of 22MVA, and 8MVA already allocated to the new development areas.
Due to the current maximum demand and load growth in the town and surrounding areas, the distribution network will have to be upgraded to allow for expansion. The current load growth based on applications for new connections will be approximately 10MVA per year over the next five years for the existing and planned reticulated area. The load growth from 2008 to date is about 200%.

For the area surrounding Lephalale town for which Eskom holds the supply license the load growth could be as high as 5 MVA per year for the next few years. In line with the expected load growth different scenarios will be proposed to upgrade the network. The rural villages, farm areas and Marapong are Eskom distribution area.

## 5.1 NETWORK OVERVIEW

### Economic activities and background.

The current economical activities are dominated by the general growth pattern in South Africa, the new power stations, coal supply and Sasol. This will result in an influx of new business and residential customers. Major new developments to the extent of 80MVA over the next few years (four times the current demand of the entire Lephalale) are currently being negotiated with Eskom. These developments will surround Lephalale town and some fall within the Eskom supply area.
It will be possible for Lephalale to apply to the NER to take over the supply licence from Eskom for the surrounding areas.
Whether these developments will be included within the Lephalale electrical supply network or not, the Lephalale electricity supply and network will have to be extended to accommodate current growth. The current network configuration as is will be able to accommodate growth to 30MVA non-firm and to 80MVA if the Eskom supply network is strengthened.
It must also be mentioned that whether the electrical distribution is within the Lephalale or Eskom distribution areas, the other services e.g. roads, storm water, sanitation and street lights will be part of the services rendered by Lephalale Municipality.

## 5.2 Main Supply Network and capacity.

To evaluate the future network extensions it is imperative to also take the Eskom supply capacity into consideration, as any supply increase will have an impact on Eskom.
Eskom currently supplies the Lephalale main substation (33kV/11kV) from their Waterberg Substation (132kV/33kV) which is fed from Matimba substation (132kV).
The 132kV network seems adequate to handle the necessary increase in capacity; however any increase in capacity will impact on the supply network. The reasoning is as follows:

## 5.3 Lephalale Main Sub-station.

As previously mentioned the current maximum demand at the main substation in Lephalale is 22MVA. Lephalale is supplied with three 10MVA transformers situated at the Eskom side of the main substation. In the scenario of losing one transformer the bulk supply will thus be inadequate to handle the current load as the supply is non-firm.
With all three transformers in service the load limit is 30MVA. The Lephalale main substation 11kV switch room is fed via five incoming breakers with 5X150mm² 3 core PILC.
Thus the maximum cable transfer capacity from Eskom to the Lephalale primary rings is currently 30MVA.

### Feeder Lines from Waterberg Substation to Lephalale Main Sub-station.

The two feeder lines from the Eskom Waterberg Substation are single circuit Wolf conductor lines with a carrying capacity of 30MVA at 33kV, thus a transfer capacity of 15MVA per line. With a single circuit in operation the current load of Lephalale will not be supported.
Thus maximum lines transfer capacity from the Waterberg Substation to the Lephalale Main Substation at 30MVA.

### Eskom - Waterberg Sub-station.

The substation has two 20MVA transformers that supplies Lephalale and sensitive 5MVA water pump station. Eskom supply philosophy is to commit to a firm supply capacity in case of one of the 20MVA transformer being out of service.

This allows for a maximum supply capacity to Lephalale of 15MVA and 5 MVA to the water pump station; thus a maximum capacity of 15MVA. From the above it can be derived that the maximum demand (non-firm) at Lephalale is only 15MVA without upgrading the supply side infrastructure, therefore there is zero MVA spare capacity available.

**Internal 11kV distribution network.**

Lephalale has two internal supply areas namely Onverwacht (Central Zone) and Waterkloof (Eastern Zone).Onverwacht is fed via two primary feeder substations placed in the load centres. The load is well balanced and within the load capacity. The ring feeder cable network is designed to carry 4.5 MVA per ring. The installed capacity is 37.8 MVA with a diversity factor of 33%.
The eastern zone area is supplied from the main substation with three 11kV overhead power lines. Due to the load growth over the last few years a fourth supply line is currently under construction. This will relieve the immediate capacity problems in the eastern zone.

## 5.4 NETWORK GROWTH AND UPGRADING

To accommodate the expected load growth the network will have to be upgraded at certain load trigger levels as discussed below:

**Upgrade 12,5MVA to 80MVA**

The Eskom supply network and the Lephalale Substation will be capable to accommodate growth up to 40MVA.
Eskom needs to be notified of the increased loading and will adjust the maximum demand accordingly. This increase will have an impact on the monthly tariff payable to Eskom.
Lephalale Municipality needs to allow funds on the three year rolling capital budget for internal network upgrading to facilitate the growth. This will be for internal network upgrading and overloaded infrastructure.

**Lephalale Main Substation.**

Allowing for the load to grow up to 400 MVA, the Lephalale Main Substation, the feeder cables from the Eskom Substation, the Eskom Substation side (3 X 10MVA transformers non-firm) and the two Wolf Conductor lines will not be capable to sustain the load increase.
This scenario does pose a problem due to the supply not being firm, meaning the loss of one transformer will cut the available supply by a third until it is repaired. To increase the supply to 40 MVA firm, Eskom will have to install three 20 MVA transformers. The cost will be for Lephalale Municipality's account.

**Waterberg Sub-station.**

Eskom indicated that the Waterberg Substation can only supply 15 MVA to the Lephalale Municipality. The capacity of the substation will thus have to be upgraded to allow for additional load. Eskom however indicated that they would further supply the Council with a 132kV connection.

**Upgrade 20 MVA.**

It is also now crucial to decide whether to increase the 33kV supply or to change to a 132kV supply from Eskom. The indication is that the capacity of the 33 kV power lines is not adequate for the 10 year development plan of Lephalale.
If the 33kV supply will be extended, the cost would be that of an extra 132kV/33kV bay in the Waterberg Substation. A quotation will have to be acquired from Eskom. A typical additional bay will cost in the region of R85m.
It is recommended that the 33kV supply should not be upgraded, but rather to opt for a 132 kV supply.

**132kV Bulk Supply.**

With the recent upgrading of the Lephalale main sub-station it will be capable to distribute 40 MVA into the Lephalale network. However increasing the load capacity up to 40MVA will necessitate upgrading of the Eskom network. The upgrading of 33kV as the bulk supply to Lephalale, Eskom will have to upgrade the Lephalale main substation by adding 1 X 10MVA transformer as well as Waterberg substation by adding another 20MVA transformer. The double transformer upgrade makes this scenario not economically feasible. With the new developments and load growth in the Eskom supply area it is inevitable that Eskom will bring in a 132kV main supply network as soon as practically possible.

It would be in Lephalale's interest to build itself the 132kV line through Lephalale as indicated. Where the new proposed line crosses the municipal area servitude will have to be made negotiated. If the municipality installs the proposed 132 kV ring it will benefit Lephalale Municipality, as this ring will facilitate the proposed master plan. The cost will be shared with new developers and with the necessary savings.

The Lephalale main substation is badly positioned with reference to the network load centre with specific reference to the eastern zone. It is thus important to strengthen the supply to the eastern region that is currently being supplied by an 11 kV overhead network. The benefit of the proposed 132 kV ring is that it will allow for various substations to new 132/11 kV substations. The load growth in the eastern zone reaches 10MVA. New 11kV feeders to support the eastern zone will be fed from this substation as indicated. The substation will be able to supply the load with a 2 X 20MVA transformers. For reasons of future growth and firm supply adequate ground must be allowed for.

**Availability of ground for proposed 132/11 kV substation to feed the eastern zone.**

The following ground must be allowed for to install the system:

- An area of 50 m X 50 m for an indoor 132/11 kV substation.
- Servitude of 52 m wide for two single circuit 132kV power lines.

It is important to ensure the availability of ground for the registration of servitudes as part of the master planning exercise.

**11 kV Network - Onverwacht.**

Onverwacht is fed via 11 kV underground cables from the Lephalale main substation. The 11 kV feeders are as follows:

- Substation No 2 with 2 X 150mm² 11 kV cables. Substation No 3 with two sets of 2 X 95 mm² 11 kV cables.
- Ring feeders X 2. The firm cable capacity from the main substation to Onverwacht is approximately 22 MVA and the installed capacity is 27, 3 MVA. The feeders are well designed with a current load of 10 MVA.

To facilitate growth it will be necessary to add in additional mini substations, to make changes to cable networks and switching and open points, large changes are foreseen in the near future like subs 2 and 3 to be enlarged as well as extra ring feeders to be installed to new developments.

**11 kV Network – Eastern Zone.**

This zone is fed from the Main Lephalale substation via an 11kV overhead network consisting of 3 X Hare conductor overhead lines with an installed capacity of 10,5 MVA and the current load is 10MVA. The Perdekamp and Rupert lines feed from the same old transformers. A Chobe 11 kV Hare line has been constructed and feeds from the new 10MVA transformer to support the load in the Eastern zone.
The capacity of the overhead lines is not sufficient anymore for the current load. There are however interlinking cables and equipment that will need to be upgraded as the load increases. These line feeders will be replaced with the feeders from the 132/11 kV substation to be installed from the new 132 kV ring feed as previously discussed. As mentioned this must also happen as soon as possible in the next year or two.

**Internal 11 kV distribution – Eastern Zone.**

The eastern zone varies from well developed areas to large open areas that will allow for new development. To date, this has hampered the development of well defined feeder rings. The feeder rings did not develop to allow for feeding from a central point, thus for future development this must be taken into account so that any new cables will have to be planned to facilitate the forming of ring feeders. These feeders will need to eventually form part of the reticulation network feeding from the envisaged new 132/11 kV substation.
The pattern of infrastructure development will be dictated by the new town developments and need for electricity connections. As mentioned, it is important to plan new infrastructure to support the forming of the feeder rings as this will optimise current installed equipment and cables.

**Table 3.3 Access to Electricity**

| HOUSEHOLDS ACCESS TO ELECTRICITY | | | | |
|---|---|---|---|---|
| ELECTRICITY DELIVERY STATUS 2008 | | | | |
| DME 2008 Total households | DME 2008 Household access to Grid | DME 2008 Households assess to Grid as a % | DME 2008 Households below basic level of service/ backlog | DME 2008 Households below basic level of service/ backlog as a % |
| 25,839 | 19,735 | 76,4% | 6,104 | 23,6% |

| FREE BASIC ENERGY | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| STATS SA Census 2001 | | Municipal source 2008 | | Eskom (Eskom supplied area) | Municipality (Municipal supplied area) | Alternative source of Energy (Municipal source) | Total households served | Total households served as % |
| 28,359 | 14,994 | 26,610 | 5,522 | 1,808 | 3,306 | - | 5,114 | 34,1% |

## 6. Housing (integrated Sustainable Human Settlement)

Housing is a prominent issue in the IDP of the municipality and it is rated priority no 2 second to water and sanitation which is the highest ranked priority issue in the municipal area. The characteristics of the dwelling in which households live and their access to various services and facilities provide an important indication of the well-being of household members. It is widely recognized that shelter satisfies a basic human need for physical security and comfort. Participatory poverty assessments in South Africa suggest that local communities view poverty not only as lacking or being deficient income, but also being isolated, having inadequate education and health services, lacking water supply and the inability to participate in the economic and social life of the community. The municipality is predominantly rural in nature with extensive game and cattle farming being the main agricultural activities. The major spatial feature in the municipal area is the leaner strip of 38 rural villages under tribal authority located to the northeast of Lephalale town. Lephalale was earmarked as one of the ten growth points in the Limpopo Province. The reason for this is that more than 40% of the coal reserves of South Africa are located within the boundaries of Lephalale municipality. It was therefore no surprise when construction of Medupi power station was announced and Lephalale being earmarked as the “energy hup” of Republic South Africa. The construction phase of the power station is attracting a large number of contract workers (approximately 7068) are expected. Full time employment after construction of the power station is estimated to be about 700 households. Grootegeluk coal mine is in the process to expand as a result of Medupi power station and also regarding its own operations.
These developments have a huge impact on the need for housing, but the following envisaged developments will definitely have a tremendous influence on the growth of Lephalale over the next 5 to 15 years.

- Another power station by Eskom.

- Methane gas exploration by Anglo coal.
- Another coal mine by Exxaro with sole purpose to export coal.
- Construction of a railway line towards Burgersfort to transport coal for export via Maputo and Richards bay harbor.
- Mafutha Sasol 3.

At present the majority of the inhabitants of Lephalale reside in rural villages while the urban component forms only ± 20% of the total population. This will however change drastically should the above-mentioned developments indeed realize. The registered need for housing in the rural area has increased over the past few years despite the fact that a migration from the rural area to the urban area is already observable. The long term results may be that the majority of the inhabitants will reside in the urban area while the number of inhabitants in the rural area may not have diminished and if, only by a small percentage.

The population of Lephalale may double over the next 15 years. Eskom related housing demand is 1422 units in Lephalale town. The units comprise of freestanding houses, duplex units and flats. Exxaro will construct 794 units in Lephalale town and Marapong for the next five years. The units comprise of freestanding houses, simplex, duplex and flats. The 38 rural villages represent a housing backlog/demand of 3801 units based on the current waiting lists of the municipality. The rural backlog off-farm (farm workers) is currently between 300 and 454 units. The total estimated housing demand in the municipal area is in excesses of 22 302 of which 10 940 units would represent subsidized units, and 11 701 bonded housing units, rental stock and temporary housing. The figures of the municipality are based on actual names on the official waiting lists and therefore regarded as accurate. The municipality has three focus areas in terms of addressing the housing need namely Lephalale town and Marapong, rural villages and around Steenbokpan in the southern parts of the municipal area. The rural villages are divided into five strategic development areas. The areas have been prioritized through an extensive consultation programme according to the applications as captured in lists being held by the municipality. The bulk services in the rural areas are currently being upgraded. The existing water reservoir storage capacity is problematic and most of the residents only have access via communal taps, some of which are further than 200m away. Piped water via erf connections is minimal. The entire area is served with VIP toilets and electricity is supplied by Eskom. The municipality will align its housing needs with that of Eskom and Exxaro.

part from some prevalent institutional problems, the municipality has a clear and well- directed vision as to how it will meet the existing demand in its area of jurisdiction. The housing strategy caters for public and private housing, and projects are

aimed at consolidating the urban structure, optimizing the utilization of existing infrastructure and enhancing the sustainability of the livelihoods of all the residents.

## 7. Environmental analysis

Lephalale municipality has an environmental function to execute to ensure that the fundamental environmental rights of the community as enshrined in the constitution are realized. The fundamental rights as stated in the constitution are:-

- To prevent pollution and ecological degradation.
- To promote conservation.
- To secure ecologically sustainable development and use of the natural resources while promoting justifiable economic and social development.

The municipality has sensitive and conservation worthy areas within its jurisdiction, such as the wetlands, river systems, cultural sites, rare and endangered species and part of the Waterberg biosphere. There are also many areas that require remedial attention. i.e. the eradication of alien vegetation, soil erosion control and aspects that require special management, such as pollution control and land use management.

### 7.1 Air quality.

Air quality legislation comprises primary standards which protect human health and secondary standards which protect property, vegetation, climate and aesthetic values.
The development of industries that increase air pollution through emission of gases in the atmosphere should be managed. The construction of Medupi power station and the envisaged third power station in the municipal area requires that the industries should comply with air quality standards. The Lephalale municipality has been identified as the air quality hot spot. An air quality plan should be developed in order to manage the situation. The environmental features that are found in the municipal area are affected by natural environmental challenges inter alia, ozone depletion, global warming, solid and hazardous wastes, the endangerment of biological diversity and

land degradation. Environmental degradation in the form of soil erosion, overgrazing, deforestation, over exploitation and habitat destruction should be prevented to effect economic development negatively.
Air quality management by-laws should be developed for non compliance to the air quality standards. There should be capacity in terms of human resources for the execution of related duties.

**7.2 Water quality.**

Water is a scarce resource in Lephalale municipality. Water quality legislation seeks to achieve water quality consistent with protection of aquatic life, wild life and safe conditions for human recreation and consumption. It therefore aims to eliminate discharges of pollutants into navigable waters which include rivers and streams. The water resources are exposed to excessive contamination of rivers/streams. One of the main contributors to water pollution is the discharge of industrial wastes into the rivers and streams and also cholera outbreaks. To curb the challenge business can improve water quality by regulating their non point source water pollution- a situation where runoff from streets, construction sites, farmlands and animal feedlots which cause significant nutrient and toxic substances that build up in the bodies water receiving the pollutants thereby damaging the usability of the resources for plants, animals and humans alike. There is a need for ad-hoc water sampling of water sources. The municipality should respond to the aforementioned challenges in one way or another by doing cost benefit analysis, risk management or strategic environmental management.

**7.3 Waste management.**

The municipality is in the process of developing a waste management plan as required by legislation and determined by its powers and functions. The municipality is allocated the function of solid waste management. The function involves determination of waste disposal strategy, regulation, establishment, operation and control of waste disposal sites or facilities, refuse removal, waste minimization through recycling, re-use and waste education and awareness. In implementing its function the municipality has a role to ensure that waste management systems are in place. The implementation of the function is dependent of the function that is allocated to the municipality i.e. refuse removal. Currently most of the waste is collected from household followed by commercial industries.

### 7.3.1 Refuse removal.

The municipality has no drop-off or buy-back centers for recycling. The municipality is relying on private companies for recovery of the recyclables. The companies such as Nampak have contracted a service provider for the recovery of box and plastic. There are also informal recyclers in the landfill, collecting box, plastic, papers and steel. The municipality has a challenge of providing refuse removal services to the communities. The challenge range from unavailability of land and inadequate funds to provide the service.

### 7.3.2 Waste transport and transfer

The municipality has five 12m³ compactor vehicles servicing four collection routes on Monday, Tuesday and Friday and five collection routes on Wednesday and Thursday. Most of the collection trucks were bought in 1991 and 1992, and are no longer reliable. The municipality has no transfer station in areas which are situated far away from Landfill sites, approximately at 30 to 35 kilometers from the landfill sites. The areas such as Ga-Seleka, Shongoane, Abbotspoort and Steenbokpan are the areas in need of transfer stations.

### 7.3.3 Waste storage

The municipality has in-adequate refuse receptacles for refuse storage. The municipality is using 1,7m³ bins for waste storage. In the central business district about seven to ten shops are sharing one or two 1,7m³ bins and the capacity is not enough. There are in-adequate refuse receptacles on the streets of Lephalale town. The community and other businesses are not provided with 240 liters wheeled bins for waste storage.

### 7.3.4 Waste Education.

The municipality has no formal waste education programme like the cleanest ward/village competition and school recycling, but it is supporting Lephalale schools state of the environment report with funds. There are no environmental committees and eco-clubs/guides in all municipal areas. Lack of waste education initiatives results in illegal dumping and littering by members community.

### 7.3.5 Waste Disposal.

The municipality has one unlicensed waste disposal facility. The life expectancy of the landfill is 5 years without waste minimization programme but with such programmes the life expectancy can go as far as more that ten years. The municipality has no garden sites for temporary storage of garden waste. The municipality has no wet cell for disposal of waste in rainy period, no material recovery facility such as convenient transfer station for recycling and composting.

### 7.3.6 Waste information.

The municipality has no data base of waste management companies operating within its area of jurisdiction and statistics for the recovered waste for recycling and disposed waste.

**Table 3.4 Provision of refuse removal**

| Municipality | RDP refuse removal (actual number of households) | Refuse removal (%) | Refuse removal backlog (% within municipality) | Total number of households |
|---|---|---|---|---|
| Lephalale | **8154** | **29%** | **71%** | **27 950** |

Only 31% of the households in Lephalale municipality have access to acceptable refuse removal service level. The municipality is still faced with the challenge of illegal waste dumping in Marapong more especially next to illegal settlement areas and parts of Onverwacht as well. Generally waste collected is domestic or household mostly in urban areas especially Marapong, Onverwacht and Town. The provision of the service in rural areas is limited. Communities depend mainly on backyard dumping sites.

### 7.4 Waste management challenges

- No formal education and awareness programme
- The municipality has no approved by-law for waste management
- There is no buy-back or drop-off centre for recycling
- Inadequate refuse receptacles
- Limited number of disposal sites to cover all the communities in the municipal area.
- The geographic area is large and comprised of mostly rural areas, with scattered villages with low population densities and poor quality roads.
- Increased residential development in urban areas often without concurrent increase in resources.
- High level of poverty within the municipality will impact on the ability of households to pay for waste management services, particularly in rural areas and informal settlements.
- Illegal dumping areas both in urban and rural settlements.
- The current dumping site is likely to reach capacity level in three years.
- Limited financial resources to establish new dumping sites.

# SECTION C

# FINANCIAL MANAGEMENT AND VIABILITY

# 8. FINANCIAL MANAGEMENT AND VIABILITY

Financial management and viability of a municipality is core to the development of communities in a sustainable manner by providing municipal service. The municipality has however embarked on a process of addressing all the gaps identified by the auditor general.
The municipality has limited financial resource capacity. The sources of income vary from the income generated through the sale of municipal services i.e. electricity, sewerage, and tax levies, through to intergovernmental grants (IGG) and external loans. The narrow tax base of the municipality is a constraint on municipal income.

There is however a need to develop a revenue generation strategy and to focus more on the viability part of this KPA as engendered in the national key performance indicators. Currently 46% of the total budget is made up of government grants. The major contributing factor to lack of revenue is that only ±20% of the total household is paying for rates and services. This seriously hampers our service delivery effort as we have the capacity but no funds to implement. The broad financial challenges are sources of revenue and effective implementation of IDP and SDBIP.

### 8.1 Audit report

Although the municipality has received a disclaimer audit opinion for the financial year 08/09, there are identified areas of improvement that the municipality will implement to improve on the current sate of financial management affairs. In improving the financial management status of the municipality a risk assessment is conducted annually from which a risk register is compiled and reviewed on a regular basis.

**Audit reports**

| Year | 05/06 | 06/07 | 07/08 |
|---|---|---|---|
| Audit report | Qualified | Adverse | Disclaimer |

A number of financial policies which are relevant to the powers and functions of the municipality were developed and implemented. This policies are supply chain management, debt collection and credit control policy, fixed assets policy and banking and investment policy.

## 8.2 Indigent Policy

The primary intention of the policy is to ensure that no one is completely denied access to basic services for reasons of inability to pay for such a service. Underlying this policy is the recognition that the supply of 'basic' services assists in alleviating poverty and improves level of the communities within the area. Free basic services will be implemented progressively in accordance with the ability of council to render any of the specific services in various areas within its jurisdiction, in accordance with the levels of services which are appropriate and affordable.
Section 74.2(c) of Municipal Systems Act, 32 of 2000 states that poor households must have access to at least basic services through:

- Tariffs that cover only operating and maintenance costs;
- Special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of services; and
- Any other direct or indirect method of subsidization of tariffs for poor household.

Section 97 (c) of the Municipal Systems Act, 2000 states that a municipality must make provision for indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents.
The municipality adopted its indigent policy in 2001 and it is reviewed as and when it is necessary for council to do so.

## 8.3 Fraud Policy and Fraud Prevention Plan

The plan is premised on the institution's core ethical values driving the business of the Municipality, the development of its systems, policies and procedures, interaction with ratepayers, the public and other stakeholders, and decision-making by individual managers representing the institution. This means that in practice directorates, departments and other business units of the Municipality and even external stakeholders must be guided by the plan as the point of reference for their conduct in relation to the Municipality. In addition to promoting ethical conduct within the municipality, the plan is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption. The main issues addressed in the document are the review and update of the Fraud Prevention Plan, incorporating the Code of Conduct and Fraud Policy and incident Response Plan. The plan takes into account the risks of fraud and corruption as identified in business risk assessments initiated by the municipality and the outcome of interviews held with senior management of the municipality.

The plan does not guarantee that the municipality will not be impacted by incidents of fraud and corruption but is intended to serve as an additional measure to assist in the limitation of fraud and corruption risk with a particular focus on creating awareness and promoting ethical business conduct. There is a Fraud Policy and Fraud Prevention Plan in place and will be reviewed annually.

### 8.4 Financial viability challenges

The following are financial viability challenges in the municipality:

- Lack of finance strategy
- Inadequate integrated financial management system
- Municipality is grant dependent
- Lack of funds to invest in infrastructure

# SECTION D

# LOCAL ECONOMIC DEVELOPMENT

## 9. LOCAL ECONOMIC DEVELOPMENT

### 9.1 ECONOMIC ANALYSIS

Lephalale is defined by Limpopo Growth and Development Strategy as a coal mining and petrochemical cluster. The area is currently experiencing growth driven by mining expansion and construction of Medupi power station. The coal to liquid project that is currently being investigated by Sasol could broaden the opportunities for cluster formation. The local economy is dominated by the coal mine and the power station. Three clusters that are most relevant to Lephalale are firstly Coal & Petrochemical, secondly red meat and thirdly Tourism. Lephalale is currently in the first stages of considerable public sector investment, estimated at R80 billion over six years, for the construction of Medupi power station. Due to its vast coal reserve the municipality is being considered for a third power station and coal to liquid manufacturing plant.

The construction of a third power station at Lephalale after commissioning of Medupi is under consideration by Eskom. The construction of this future power station will require the further expansion of the Grootegeluk Coal Mine or alternatively the establishment of a new mine. The obvious growth of Lephalale that will stem from all these possible developments will necessitate significant expansion of the existing infrastructure that serves the town. One of government's key priorities is to increase economic growth and to promote social inclusion. The National Spatial Development Perspective (NSDP) is a critical instrument for policy Co-ordination, with regard to the spatial implications of infrastructure programmes in national, provincial and local spheres of government. Given government's objectives of growing the economy, creating jobs, addressing poverty and promoting social cohesion, the NSDP assists government in confronting three fundamental planning questions:-

- Where should government direct its investment and development initiatives to ensure sustainable and maximum impact

- What kind of spatial forms and arrangements are most conducive to the achievements of the objectives of democratic nation-building and social and economic inclusion?
- How can government as a whole capitalize on complementarities and facilitate consistent decision making and move beyond focusing on integration and coordination procedures to establishing processes and mechanism that will bring about strategic coordination, interaction and alignment?

Rapid economic growth that is sustained and inclusive is a pre-requisite for the achievement of other policy objectives, among which poverty alleviation is key. Beyond the constitutional obligation identified above, government spending on fixed investment should be focused on localities of economic growth and/or economic potential in order to gear up private sector investment, to stimulate sustainable economic activities and to create long-term employment opportunities.

In order to overcome the spatial distortion of the past, future settlement and economic development opportunities should be channeled into activity corridors and nodes that are adjacent to or that link the main growth centre. The accelerated and shared growth initiative for South Africa (ASGISA) is derived from the objective of achieving a 6% growth rate for national economy, which will create the platform for halving unemployment and meeting social development targets.

The government had to review this target as a result of global economic meltdown. The initiative requires the following specific actions:-

- Strengthening the macro-economy, creating essential infrastructure, formulating and implementing sector and industrial strategies, promoting skills and education, supporting the second economy and improving public administration.

The joint initiative on priority skills acquisition (JIPSA) was formulated in response to the call by AsgiSA to fast-track the resolution of the skills shortages challenge in the country. The National Framework for LED in South Africa aims to

support the development of local economies through integrated government action. The framework promotes a strategic approach to the development of local economies and a shift away from narrow municipal interests focused only on government inputs into ad-hoc projects. The application of the National Spatial Development Perspective (NSDP), Industrial Policy, ASGI-SA and Provincial Growth and Development Strategies (PGDSs) through joint action with municipalities institutionalized in inter Governmental Relations forums, is the driving force for local and hence national economic growth and development.

As of the moment the Municipality has developed an LED strategy that conforms to the National Guidelines with regard to LED Plan.

**Key strategic thrusts**

The key strategic thrusts recommended in this LED strategy are:

I. Promoting the Coal and Petro-chemical Cluster
II. Supporting livestock farmers on communal land
III. Growing the tourism and recreation industry
IV. Assisting the informal sector, and
V. Improving service delivery.

### 9.2 Status quo- Economic Development Projects/Activities

Sasol through Sasol Mafutha[1] a joint venture between Sasol and the Industrial Development Corporation (IDC), based on a memorandum of understanding (MOU) signed in 2008 demonstrates unequivocal commitment to the future of South Africa. This planned Greenfield project stands to be one of the most valuable social and economic investments made in South Africa. Based on Sasol's world-renowned CTL technology Sasol Mafutha would be designed to high-quality liquid fuels. According to Sasol's latest analysis Sasol Mafutha's envisaged fuel production would increase our country's domestic production capacity by almost 15%. Besides the obvious economic benefits accruing to South Africa and Limpopo, the Sasol Mafutha project should unlock immense social benefits for the people of Limpopo in general and Lephalale in particular. Given that the post-recession out look for South Africa is one of future economic growth, demand for liquid fuels is expected to continue rising over the next two decades. Through its Energy Security Master Plan for Liquid Fuels, the Department of Energy is promoting the longer term sustainability of South Africa's liquid fuel sector.

Assuming the Sasol Mafutha project proceeds as planned, it would entail the development of opencast colliery, an 80 000 b/d CTL plant and essential infrastructure such as roads, railways, pipelines and both power and water supplies. In addition, it would involve the design and development of a new town in the Lephalale municipal area.

The Bureau for Economic Research (BER) in a recent study, estimates that investing in new CTL refining capacity, such as the proposed Sasol Mafutha project could create tremendous benefits for the Nation. Besides potentially saving more than R325 billion in fuel imports between 2016 and 2025, Sasol Mafutha would create in excess of 26 000 jobs during construction and roughly 6 000 direct permanent jobs after commissioning. This would be a significant accomplishment in the light of the country's conservative unemployment rate being about 25%. This would greatly benefit the National and Limpopo economies.

To date the Medupi project have already created 4 000 jobs for local people mainly as laborers who earned wages to the amount of R10 million. Using a family multiplier of four an estimated 18 000 people have benefited from the initiative. Local skills development programme is done jointly with contractors. Approximately R125 million have already benefited local businesses and areas for project and housing including contractor village. Eight hundred houses and flats were purchased along with the land; this resulted in a R3.55 billion investment by various major stakeholders within Medupi project and Eskom.

Current contractors and Eskom are investing into local infrastructure such as electricity network and sewage system. For the past twelve months an amount of R61.8 million have been spend on services and goods procured locally. An estimated R500 million contract have been awarded to Fedics and Mooncloud JV for three years, with the new company now called Lephalale Site Services with 50% equity each. Approximately 50% (R250 million) of the value to be subcontracted to B-BBEE compliant suppliers preferably in Lephalale area before any consideration is made of the Waterberg District and Limpopo province in general. This will result in into sub-contracting opportunities for local businesses that are not part of the consortium.

There is a need to train 140 personnel preferably from Lephalale for the following skills: - Hygienists, Nutritionists and Dietitians. Eskom and its contractors have streamlined and consolidated their Lephalale economic development initiatives to ensure maximum impact in the community and avoid duplications. The initiatives were consolidated into the following four work streams:-

- Employment and skills development opportunities for local people.
- Community social investment and enterprise development.
- Project start-ups and enterprise development.
- Education, Training and human resources development.

The work streams are collectively Eskom-led and individually driven or facilitated by contractors. A contractor academy has started in February 2010. A total of twenty eight contractors are being trained in Polokwane in an intensive 8 months programme accredited by the university of Limpopo at a cost of R80 000 per learner. Bursary funds for twenty learners have been made available for Waterberg district residents to study engineering at various universities in the Republic of South Africa. Early childhood, schools and human resource, infrastructure development initiatives have been embarked upon by Eskom contractors in conjunction with relevant stakeholders such as the Municipality, Dept of Education, Dept of Health and Social services.

### 9.3 Development potential of Lephalale

Lephalale has attained the status of a growth node of national importance. Not only is it identified as a Provincial Growth Point by the Spatial Rationale, it is experiencing enormous growth in mining and the energy industries.

The IDP 2008/09 and stakeholder consultations indicated the following development projects:

- Medupi Power Station is under construction, sequel to a R96bn investment announcement by Eskom in July 2006
- Feasibility investigations are underway for a third power station,

- Exxaro announced expansion of Grootgeluk mine to supply Medupi Power Station, this and other plans under investigation involves R9bn investment ,
- Exxaro is engaged in feasibility investigation for coal beneficiation into “coke” for various industrial uses.
- SASOL is investigating the feasibility of establishing a coal to liquid industrial plant. This has massive development implications in that a development far bigger than the existing Lephalale town might be necessary
- Anglo-coal is known to be investigating the possibility of a gas extraction operation. The details of this project are still sketchy at this stage.

All these projects have significant development implications for Lephalale for instance, the current 5000 erven may double by 2016; certain land-uses may require special zoning e.t.c. It is certain though that the triangle between Lephalale, Stockpoort node and Steenbokpan node will significantly be spatially re-defined.
One of the greatest impacts of these developments will be on the key area of “Institutional efficiency and Governance”. The scale of the developments and the speed with which they are likely to occur require planning and technical capacity far more than what the municipality has at the moment.

### 9.4 Economic trends and reality

The economic trends will describe macro-economy environment of the Lephalale Municipality and will give a broad but concise overview of the economy of the municipality. The economy in the area can be divided into three main Categories namely: primary, secondary and tertiary sectors. Each sector of these categories is further subdivided into different economic sectors which are defined as follows:

1. **Primary sector**
    - Agriculture
    - Mining
2. **Secondary sector**
    - Electricity
    - Construction
    - Manufacturing

### 3. Tertiary sector

- ❖ Trade (catering, Transport, Accommodation (Tourism), Storage and Communications).
- ❖ Financial and business services
- ❖ Social services including government

| SECTORAL ANALYSIS OF EMPOLYMENT | | | | |
|---|---|---|---|---|
| **Sector** | **2007** | **%** | **2008** | **%** |
| Agriculture | 5,740 | 16,38% | 5,814 | 15,94% |
| Mining | 5,864 | 16,74% | 5,925 | 15,24% |
| Manufacturing | 798 | 2,26% | 872 | 2,39% |
| Electricity | 810 | 2,31% | 851 | 2,33% |
| Construction | 2875 | 8,21% | 3464 | 9,50% |
| Trade | 6,696 | 19,11% | 7,246 | 19,86% |
| Transport | 894 | 2,55% | 956 | 2,62% |
| Finance | 1278 | 3,65% | 1153 | 3,16% |
| Community services | 5,591 | 15,69% | 5,543 | 15,19% |
| Households | 4,591 | 13,10% | 4,658 | 12,77% |
| **Total** | **35,037** | **100%** | **36,482** | **100%** |

In the Lephalale Municipal area the contribution of mining to GDP is significant at 59.21%. Electricity contributes 11.33% to the GDP and its contribution to the Waterberg electricity sector is at 69.65%. Other sectors that have a significant contribution to the Waterberg GDP per sector include agriculture, mining, and manufacturing. Agriculture (38.85%) is the sector that employs the largest part of the workforce and is followed by community services (15.71%).

The economy of Lephalale is mostly based on the primary sectors (agriculture and mining). The mining of coal is the main mining activity in the region while the largest proportion of people is working in the agricultural sector. In the Lephalale local municipal area the following sectors show a competitive advantage; the agricultural sector, mining, manufacturing and electricity.

**Development opportunities**

- Create an enabling environment where the electricity sector can become a hub within the provincial and national economy.
- Use the primary resources to create an opportunity for tourism development in the Lephalale region.
- The agricultural sector should be supported by creative and sustainable developments of SMME's to integrate the agricultural and mining sectors with tourism developments.
- Value adding to the raw materials. The manufacturing of products that use the raw materials mined at Lephalale should be a core development potential.

### *9.5 Lephalale's Competitive and Comparative Advantage*

The Waterberg Coal Field is estimated to contain a resource of 50 billion tons, of which 12.5 billion tons can be mined by opencast method. This coal is sufficiently close to surface that it does not require the sinking of a shaft.

Eskom has stated publicly that it needs to increase electricity generation from 40,000 MW in 2008 to 80,000 MW in 2026 and that at least half of this will be from coal fired power stations. This implies that 20,000 MW is needed from coal. It is expected that the new Kusile Power Station in Mpumalanga, for which construction commenced in 2008, is the last coal fired power station to be built outside the Waterberg Coal Field in this time horizon. Kusile will generate 4,800 MW, which is similar to the output expected from Medupi Power Station. Construction of Medupi, in the municipality, commenced in August 2007.

The implication is that at least another 10,400 MW of generation capacity is required from coal before 2026 and the Waterberg Coal Field is the most likely source of coal for this purpose. It is therefore reasonable to assume that the municipality could host another three coal fired power stations after Medupi.

The existing Matimba Power Station, Medupi, which is currently under construction, and the other three power stations that can reasonably be expected, will collectively consume 80 million tons of coal per year. With an opencast mining resource of 12.5 billion tons, these power stations can be sustained for 156 years.

A study conducted by Professor Phillip Lloyd on behalf of Bateman, indicated that the Waterberg coal is among the most liquefiable in the world. A feasibility study for a coal to liquid process in the Waterberg is currently underway by Sasol.

The new coal mines, the power stations and the coal to liquid facility could lead to a six-fold increase in households in and around Lephalale town, from 5,000 in 2007 to 32,000 in 2020. This will create a significant demand for building material and will also have secondary implications for retail, service and small industry development. Lephalale Municipality therefore has a competitive advantage in game-related tourism. A strong footprint of game lodges has already been established. Finally, the municipality has a competitive advantage in beef production. The latest available livestock census figures from the Department of Agriculture indicate that 36,000 cattle are owned by commercial farmers and 16,000 head of cattle by communal farmers.

### 9.6 Mining Development

The object of the minerals and petroleum Development Act no. 28 of 2002 is to make provision for the equitable access to and sustainable development of the nations, mineral and petroleum resources, and to provide for matters connected therewith, such as prospecting and mining and rights and permits.

The Act recognizes the following:

- that the country's mineral and petroleum resources belong to the nation and that the state is the custodian thereof.
- Mining can and should contribute to economic growth and job creation.
- there is a need to promote the local and rural development and to social upliftment of communities affected by mining
- the state should endeavour to bring about equitable access to South Africa's minerals and petroleum resources, particularly for historically disadvantaged persons.
- the nations mineral and petroleum resources should be developed in an orderly and ecologically sustainable manner.
- Holders of mining and petroleum rights should contributes towards the socio-economic development of the areas in which they are operating
- Security of tenure should be provided in respect of prospecting, exploration, and mining and production operation.

The municipality has no jurisdiction over the administration and granting of mineral rights but does have the right to be consulted on each application that will affect it. The municipality is also obliged to facilitate economic and mining development processes by building networks and promoting good working relationships in the sector, such private company, parastatal, development organizations and public infrastructure agencies.

## 9.6 Tourism Development

The importance of tourism industry to the economy of the area is likely to continue to grow into the future. This is likely to be related to the hunting and ecotourism industries, but could also be linked to any expansion of the industrial operations and the related business tourism. The existing importance of the business tourism sector, and its strong links to the mine and power station are also viewed as important. The challenge faced by the tourism industry in the area is to increase leisure/ecotourism visitors in the summer seasons. This would rather relate to ecotourism rather than hunting. There is the opportunity to increase tourism in the area through tours to the power station (s) and/or mine.

| Holiday resorts | Game/Nature reserve | Guest farms | Guest houses | Hotels | Camping | Fishing | Total number of beds |
|---|---|---|---|---|---|---|---|
| 6 | 29 | 52 | 17 | 1 | 5 | 7 | 1170 |

Tourism and especially eco-tourism has shown considerable growth in the recent years. It is a good example of sustainable use of opportunities and resources, and offers the benefit of a range of employment options for local people. A negative factor in the Lephalale economy is the lack of economic activity in the rural village area. This is where the majority of the current population lives. The very high rate of unemployment implies that opportunities for the establishment of small industries or businesses which are labour intensive should be pursued in order to make use of the potential workforce.

## 9.7 Agricultural Development

The Limpopo Provincial Growth and Development Strategy (PGDS) adopted a cluster value chain development approach for accelerated economic growth and job creation. Meat production and horticulture are two of the clusters recommended in the agriculture sector. The Limpopo Provincial Department of Agriculture commissioned a land capability study from EnviroGis, which was released in March 2007. Land capability was defined as the extent to which land can meet the needs of one or more uses, under defined conditions of management, without permanent damage. It includes the effect of physical factors: soils, climate and terrain, on the total suitability and potential for use for crops that require regular tillage, for grazing, for forestry, and for wildlife without damage. A spatial modelling approach was used to model land capability. Due to its analytical capability, GIS and remote sensing was used to build a parametric model. The modelling approach applied can be best described as a combination of deductive-knowledge and inductive-empirical methods.

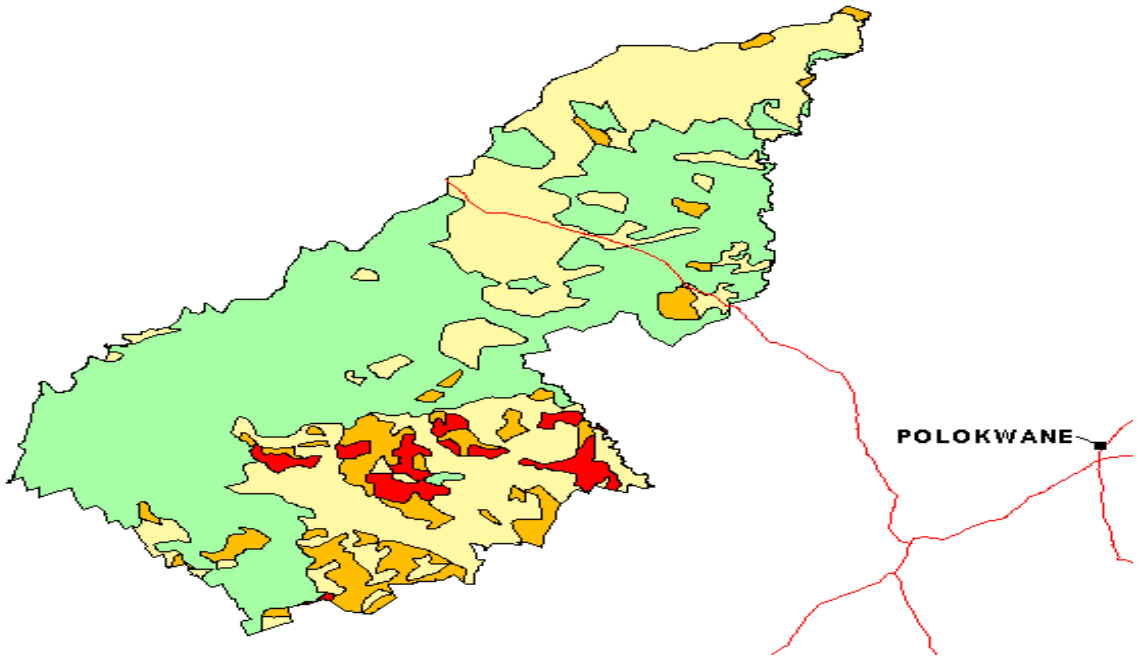
Most of the land in Lephalale Municipality (55%) was found to have a low to moderate capability as reflected in the table below. There is no land with a high capability for crops.

**Land Capability in Lephalale Municipality**

| Description | Area (ha) | % of Total |
|---|---|---|
| Very Low | 59,913.28 | 3.09 |
| Very low – Low | 149,516.98 | 7.70 |
| Low | 673,719.57 | 34.69 |
| Low – Moderate | 1,058,814.82 | 54.52 |
| Moderate | 0.00 | 0.00 |
| Moderate – High | 0.00 | 0.00 |
| High | 0.00 | 0.00 |
| High - Very high | 0.00 | 0.00 |
| Very High | 0.00 | 0.00 |
| **Total:** | **1,941,964.65** | **100.00** |

Source: Limpopo Department of Agriculture

Figure 2: Land Capability in Lephalale Municipality



On the basis of this assessment it is concluded that Lephalale is more suited to animal production than to horticulture. There are obvious pockets of horticulture potential along the main rivers, but the major thrust of agriculture development initiatives should be on animal production.

**Livestock Farmer Support**

A Livestock Farmer Support proposal was drafted and adopted by the Municipality. The overall objective of the proposal was to improve the competitiveness of cattle production on communal land in Lephalale Municipality, thereby creating a platform for the cluster to grow and become an effective vehicle for job creation, innovation and improved quality of life for local citizens. The intention is that Lephalale should be a pilot project that can be replicated throughout Waterberg District.

Total herd size for Lephalale is estimated from the 2007 stock census of the Department of Agriculture to be almost 53,000 animals, of which 16,300 belong to owners on communal land. The calving percentage in the communal herd is estimated at 25% compared to a competitive industry benchmark of 75%. It is potentially possible for cattle owners to increase their income from cattle three-fold by raising the calving percentage to the industry benchmark. However, this will require different management practices aimed at a more productive herd composition, sustainable veld management and improved animal health.

The ideal herd size on communal land given the grazing that is available is 8,000 cattle. The actual herd size is more than twice as many at 16,300. By selling 8,300 unproductive bulls and old cows, perhaps over a five year period, cattle owners can earn a cash income of R29 million. At the same time more grazing space will be made available for the breeding cows, improving their nutritional status and providing the veld with an opportunity to recover. Cattle farmers in Lephalale Municipality can then expect to gain 2,800 calves per year instead of the current 1,200 per year. The value of the additional 1,600 calves at weaner stage (average 200 kg per weaner) will be R3.2 million in the pockets of communal cattle farmers.
All the cattle owners on communal land in Lephalale Municipality can be considered as SMME's. In addition to the benefits that each cattle owner will derive from a livestock farmer support programme, there will be considerable SMME opportunities for the construction of grazing camps, kraals for cattle to overnight and livestock watering points.

A cattle farmer support programme is therefore proposed with the specific objective to raise the livelihoods of livestock farmers on communal land in Lephalale Municipality in a sustainable manner by way of a district livestock farmer support programme that is aimed at:

- A more productive herd composition,
- Increased animal nutrition,

- Improved animal health,
- Upgraded genetic quality for meat production, and
- Higher levels of animal safety.

The target associated with this objective is to improve the calving percentage to 70% from the current 25% and to secure competitive prices for all animals that are brought to market.

It is proposed that this objective can be achieved by using existing programmes in the Department of Land Affairs to obtain additional grazing in close proximity to communal areas. This grazing, with access to superior bulls, should be offered to communal cattle owners on condition that they participate in the livestock improvement strategy by adopting more productive cattle management practices.

An institutional framework is proposed comprising a district co-ordinating committee, with municipal and local co-ordinating committees. The nucleus of these committees at the local level is the existing cattle farmer associations. It is recommended that NERPO should be invited to participate in the District Co-ordinating Committee.
Funding will have to be sourced for the construction of grazing camps and for the acquisition of superior bulls in order to improve the genetic quality of the herd over time. An intensive inoculation programme is also required to improve animal health. It is envisaged that the Expanded Public Works Programme could be a funding source for the construction of grazing camps. The Limpopo Department of Agriculture and donors of development aid are expected to contribute towards the acquisition of quality bulls and towards the inoculation programme.

Limpopo Department of Agriculture also has an important contribution to make towards the training of livestock farmers by way of Tompi Seleka Agricultural College.Provincial development facilitation agencies, such as LIMDEV and LIBSA, are needed to assist with the establishment of livestock transport contractors. Buyers at abattoirs and feedlots will play an important and honest role in implementing the strategy. Finally, the proposed strategy should be refined by way of continuous monitoring and annual evaluation processes.

**Crop Production**

Commercial farmers and emerging farmers on communal remain two distinct stakeholders groupings in the agricultural landscape. At the interface between the two groupings is the land reform process. Capacity constraints within the Department of Land Affairs, both at the project conceptual design and at the project implementation level, have contributed to a drop in food production. This is happening against a backdrop of a deteriorating food security situation in the country.

An agribusiness development initiative[1] has emerged from among concerned stakeholders in Lephalale, both from the commercial and the emerging ends of the institutional spectrum. This initiative has received financial support from the Limpopo-EU LED Programme. Its vision is to facilitate the transformation of marginalised communities by implementing co-operative agribusiness development solutions that are based on sound agricultural development strategy, business development models and effective implementation methodologies. This initiative is capable of improving the impact of land reform in Lephalale at the strategic and the operational level. It also has the objective to improve the utilisation of agricultural infrastructure and facilities among farmers in the Lephalale area. The Lephalale Agribusiness Development Initiative (Godisa) deserves to be recognized by the municipality and the provincial departments of Agriculture and Land Affairs as an important partner in the local crop production development process, particularly among farmers on and from communal land.

A second important element of the crop production development process in the municipality is to engage with the new Expanded Public Works Programme, which has a specific food production facility. The critical issue for the municipality is to ensure that every project has a sound business model before it is implemented. Without a sound business model, there is a risk that the municipality can remain with the responsibility to support a number of unsustainable community projects. With regard to commercial farmers, the municipality will make a useful contribution by facilitating access to research and development on water saving technologies on irrigation farms. The Watertec division of the CSIR is an important institution to approach in this regard. Mutually beneficial co-operation between commercial and emerging farmers should also be encouraged.

## 10. HEALTH AND SOCIAL DEVELOPMENT SERVICES

The essence of the approach with the provision of health facilities to communities is the following:
High order facilities such as hospitals and community health centre's should only be located in 1st or 2nd order settlements (being growth points and population concentrations). Within the hierarchy of settlements the approach with respect to the specific type of settlements should be as follows:

- Hospitals only to be located in urban and rural towns and if required in terms of the Department's standards, in larger villages in the clusters. Community health centers' and similar order facilities should primarily be located in urban and rural towns, and/or larger villages within the proposed 1st and 2nd order settlements. Furthermore, depending on the size of the community, community health centre's could also be located in large villages (3rd order settlements); and

- Clinics could be located at any town or larger settlement within 1st and 2nd order settlements, depending on the department standards. Clinics can also be located in 3rd order settlements (settlements with larger populations), and only 4th and 5th order settlements if the number of villages and the population residing in these villages require it. The norm should rather be that, mobile services are provided to the 4th and 5th order settlements, which are mostly small villages.

**Health facilities**

- Three hospitals: Ellisras and Witpoort (public), Marapong (private hospital).
- Hospital referrals: Witpoort for Seleka- Shongoane and Abbotspoort clinics
  Ellisras for Marapong and Ellisras town clinics

- Marapong clinic require to be upgraded or a new clinic be build to provide adequate service for the population which has currently grown threefold as compared to when the clinic was originally established.

## 10.1 INTEGRATED HIV/AIDS PROGRAMME

The Integrated HIV/AIDS Programme relates to a series of measures that different role players are employing in order to prevent the spread of HIV/AIDS and to deal with its consequences. Lephalale has a relatively high-level of infection if compared to other parts of South Africa. The Limpopo Province had an estimated infection level of 13,% in 2005 this was the third lowest level of all the province in South Africa. Within the Limpopo Province, the Waterberg District had the lowest prevalence rates per district (4, 21% in 2005) Lephalale is situated within Waterberg district. It is therefore critical that this coveted position be protected and developed further. In other words, the comparative position should be safe guarded. The development of the transportation linkages, economic structure as well as routes to the border countries will have a definite impact on the prevalence of the pandemic in Lephalale and therefore on the Waterberg district
The strategies with direct relevance to addressing the problem of HIV/AIDS are currently in the form of projects and funding activities of the national government through the provincial and district authorities. However, due to the fact that HIV/AIDS is not just a health problem, its prevention and its consequences require coordinated responses of all institutions and sectors involved. It is therefore critical that during the implementation phases of the different projects all

the various elements that address HIV/AIDS, either directly or indirectly should form part of this integrated programme. The various projects of this integrated programme need to be implemented in a coordinated and structured manner to ensure that maximum benefit is extracted from the efforts of the various role-players.

There are two main component of the Integrated HIV/AIDS Programme. First, it is the coordination of the local organizations linked to the provision of adequate health care facilities. The second element associated with this programme is the various education campaigns.

***Local co-ordination and adequate health care facilities***

The provision of adequate health care facilities was identified as one of priority issues in the Lephalale area. The successful delivery of health services will not only have a significant impact on the socio-economic situation of the communities, (refer to the increased productivity, healthier communities, etc.) but the infrastructure will provide an important base from which the HIV/AIDS activities can be undertaken. The clinics are furthermore an important centre from which training and awareness campaigns can be launched. This will create a heightened awareness in the local communities of the dangers of Sexually Transmitted Infections (STI) and the various methods to avoid contracting them.

The provision of clinics will furthermore act as premises from where the different welfare organizations can operate, including coordination of these organizations. The STI prevention measures can also be distributed from the various clinics. The introduction of mobile clinics into the area must be utilized to fulfill more than one function. This implies cross-functionality of services offered between the clinic service, HIV/AIDS related services and the welfare services that must be incorporated into the use of the mobile clinics.

Additionally, the close proximity of the operation of the clinics and the welfare organizations will create opportunities to establish synergies between the two services. For example, synergies can be forged around the joint use of a single information database.

**10.2 Education campaign**

The second element of critical importance, which should support the activities of the clinics, welfare organizations and the HIV/AIDS, is the education of the communities. These education activities must revolve around educating the communities about the dangers of STI's and to encourage them to alter their behavior as well as their attitudes towards those people who are infected and affected.

Educating communities is further aimed at:

- Reducing the prevalence of STI's, which increases the likelihood of HIV transmission;
- Changing the resistance to use condoms based on the cultural and social norms;
- Changing social norms that accept or encourage men' engagement in multiple sexual relationships; and
- Changing parallel norms that frown on open discussion of sexual matters, including sex education for children and teenagers.

The education of the communities is an element that should be developed in conjunction with the national campaigns to reduce HIV/AIDS and other related activities of the national government.

### 10.3 Social Development

**Table 3.5 Categories of beneficiaries receiving social grants**

| Old age | Disability | War veteran | combination | Grand in aid | Foster care | Child support grant | Care dependency grant | Total |
|---|---|---|---|---|---|---|---|---|
| 4872 | 2341 | 2 | 5 | 42 | 522(B)<br>803(C) | 12015(B)<br>12360(C) | 118 (B)<br>124 (C) | 19917(B)<br>23987(C) |

**NB * B=Beneficiaries C= Children**
**19% of the total population is benefiting from social grants.**
**23987 children are receiving one form of social grant from government.**

## 11. EDUCATION AND TRAINING

### 11.1 EDUCATIONAL RELATED SERVICES

The following norms/standards are proposed for the provision of educational facilities to the proposed hierarchy of settlements, viz:

- Tertiary educational facilities should as a rule only be located in formal (urban or rural) towns;
- Secondary and primary school facilities must be provided according to the department's norms and standards to all first, second and third order settlements. Secondary schools should preferably not be located in small villages in the first and second order settlements (clusters) if a town or larger village/s are located in close proximity to the relevant community; and

- 4th and 5th order settlements, which mostly include small villages, should be provided according to need and departmental standards, with the condition that these facilities are provided in the existing villages. The fact that most of these villages are relatively small (less than 1000 people) obviously requires that primary schools, and more specifically secondary school may not always be within acceptable (or even reasonable) walking distance from some of these communities.

The table below denotes the level of basic services at the schooling institutions across the municipal area.

**Table 3.6 Services backlog at education institution**

| No of schools | No of classrooms | Water needs% | | Sanitation needs | Electricity needs |
|---|---|---|---|---|---|
| 129 | 1086 | Water available | No Water available | Backlog | Backlog |
| Total no of learners | | 40% | 60% | 43% | 24% |
| 25879 | Total no of teachers 1284 | | | | |

In Rural Lephalale there are 62 primary and secondary schools in the Palala North and South areas alone, there is a further 20 schools on various farms and Ellisras circuit area. Currently there is a pre-school at each of our settlement units. Among them 18 are well built structures from Public Works whereas the rest are community build structures.

There is a backlog as we have more than 40 settlement units. Most of the Pre-School educators get stipend from the government while others are still paid fro community contributions. Some of these schools are not registered and the local communities are to contribute from their own funds to pay teachers. An offshoot project for Ditheko primary school which is currently being accommodated at Phegelelo high school is required in Marapong extension 4.
Mokonenkwenoko and Dinoko Secondary schools in Phalala South have been merged. There are about six primary schools which have also being merged in the farm areas. Population growth has resulted into a need for a secondary school in Onverwacht.

The massive development in the urban areas requires that additional educational facilities be provided to cater for children of people who have been employed by various institutions. The department of education has set aside R58 million for provision of the required facilities. The process of engaging various stakeholders is currently underway.

## 15. Sports Arts and Culture

### 15.1 Recreational and Sports Facilities

General planning standards applicable to the provision of recreational facilities and open spaces can be summarized as follows:

- Sports field of 1.2ha be provided for every 1000 residential units;
- Regional sport facilities of 5ha for every 20 000 residential units; and
- Show grounds - 1:20 000 residential units.

The last two services can be regarded as regional functions, thus the need should be determined within the region not just within the urban area. According to the information supplied by LDC in 2007, there are currently 42.8ha of existing public open space and 340,9ha of private open spaces proclaimed in the urban area. These areas do not include the sport fields of the schools in Lephalale town as they are situated on the school properties and thus zoned "Educational". This implies that the existing provision of parks, sports and recreation facilities in town (not rural villages) is adequate. The focus should therefore be on the upgrading and maintenance of existing recreational areas. Exxaro jointly with the Municipality is in the process of upgrading the existing sport and recreational facilities in Marapong, and sport facilities are being developed at the Lephalale Provincial Hospital.

There are two sports fields (stadiums) at Thabo Mbeki and Ga-Monyeki. Furthermore, a number of informal soccer and netball fields have been cleared on school premises in the settlements, but are mostly in a poor condition. Both school children and members of the communities share some of these facilities. A new sports stadium that was developed close to Ga-Seleka is currently falling apart.

## 16. Safety and Security

There are six police stations around Lephalale municipality and two border policing points at Stockpoort and Groblersbrug. Crime in general is showing trends of increment, this is as a result of more people flocking into Lephalale to look for economic opportunities; there has also been an increase of assault cases around shebeens and liquor drinking areas. In our view this has potential to lead into more serious and or organized crime.

The South African Police Services (SAPS), with the input of various stakeholders, are working hard to combat crime in and around the Lephalale Municipality. Community policing forums have been established at every police station in the Municipality. All stakeholders should unite against crime and be driven by a common vision of making Lephalale a safe place for its people. Some of the joint efforts relate to the combined operations that the police, private security and traffic departments often conduct in order to combat crime in the area. It is some of these joint efforts that assist stakeholders to maximize the outputs and outcomes of the available scarce resources.

Some observers are linking crime with unemployment and poverty. Taking into consideration that the key socio-economic phenomena that are devastating to the quality of life in Lephalale are:

1. Unemployment and poverty.
2. Secondary to these phenomena is alcohol abuse, and
3. The majority of assault incidents are normally reported from the shebeens.
4. Illegal immigrants who are being used for low labor cost.

**Crime statistics in Lephalale municipality**

| Crime | 2008 | 2009 | Percentage |
|---|---|---|---|
| Fraud | 53 | 56 | +1.2% |
| Murder | 13 | 31 | +2.4% |
| Attempted murder | 6 | 10 | +1.6% |
| Armed robbery | 5 | 14 | +2.8% |
| Robbery common | 57 | 95 | +1.6% |

| | | | |
|---|---|---|---|
| Assault GBH | 373 | 401 | +1.07% |
| Assault common | 391 | 323 | -0.8% |
| Rape | 70 | 50 | -0.7% |
| House breaking Residence | 185 | 316 | +17% |
| House breaking Business | 148 | 152 | +0.9% |
| Theft of vehicles | 14 | 22 | +1.6% |
| Theft from vehicles | 53 | 93 | +1.7% |
| Stock theft | 29 | 46 | +1.6% |
| Theft other | 535 | 531 | -0.9% |
| Malicious damage to property | 235 | 238 | +1% |
| Drug related | 36 | 56 | +1.6% |
| Driving under the influence (DSSC25) | 35 | 58 | +1.7% |
| Illegal possession of firearms | 6 | 16 | +2.6% |
| Arson | 5 | 8 | +1.6% |
| Robbery business | 0 | 6 | +100% |
| Robbery house | 0 | 3 | +100% |
| Shoplifting | 73 | 145 | +2% |
| **Total** | **2322** | **2525** | **+1.09%** |

## 17. INTEGRATED TRANSPORT PLANNING

The municipality has a constitutional obligation to ensure that accessible, safe, efficient, adequate and affordable public transport is provided to the community. In Lephalale, although most people rely on walking, quite a significant percentage of people make use of public transport to access different destinations such as work, school, health services, social and recreational facilities at different times. Public transport in Lephalale comprises mainly privately owned and operated taxis and buses. Five taxi associations with a fleet of more than 500 taxis, mostly with a carrying capacity of 16 seated passengers, operate on different routes in Lephalale. There is only one subsidized bus operator in Lephalale which

transport quite a significant percentage of workers on daily basis. There are also some other private bus operators contracted to Exxaro, Eskom and other companies to transport their workers. Other modes of transport such as cycling and animal drawn vehicles constitute a little percentage. The landing strip is available only for chartered light passenger planes. There is currently no passenger rail transport. Scholar transport is offered by the Department of Education to 16 schools falling under Ellisras, Palala North and Palala South circuits.

There are three formal taxi ranks in Lephalale, two informal taxi ranks and one bus rank. Bus shelters provided by the Municipality at some of the villages are only able to accommodate five people. Public Transport facilities are inadequate and in some cases far from the people they are supposed to serve. The current economic development in Lephalale has most certainly brought about the increase in demand for provision of public transport although it is not clear as to what an extent. Problem faced by the Municipality regarding public transport are multi-faceted. Problems include poor road conditions, lack of infrastructure such as lay-bys, inadequate taxi and bus ranks, taxis and buses that are not user friendly to people with disability, poor customer service, too many pick-up points per route resulting in passengers having to travel for a long time before reaching their destinations, poor conditions of taxis and buses etc. These problems can only be addressed through preparation of number of Statutory Plans such as Current Public Transport Record (CPTR), Operating Licensing Strategy (OLS), Rationalization Plan (Rat Plan) and Integrated Transport Plan (ITP).
The Municipality has appointed a service provider for compilation of an Integrated Transport Plan for Lephalale. The plan conceived through thorough consultation of all stakeholders and the community at large, will incorporate the following information:-Transport Status Quo analysis on Road System, Public Transport facilities, Non-motorized transport, Municipal parking areas and current contribution of transport sector to Gross Domestic Product (GDP). The plan will also include Transport need assessment, Transport improvement proposals as well as budget needed to implement programs and projects that will be identified.

**Transport modes**

| | | |
|---|---|---|
| Foot/bicycle | 51 084 | 45% |
| Private | 12 525 | 11% |
| Bus | 7 800 | 7% |
| Taxi | 10 380 | 10% |
| Not applicable | 30 806 | 27% |
| **Total** | **114 595** | **100%** |

Public transport is unreliable especially in rural areas. Bus transport which is the main mode of travelling moves to one direction in the morning and another in the afternoon. Most people just preferred to walk on foot to the next village which

is normally between six and eight kilometers. There are two formal bus ranks and another informal one within the municipality. There are two formal taxi ranks and the third one is nearing completion at Shongoane village. The rail link is mainly used by Exxaro for coal transportation and sometimes delivery of goods to Matimba power station. The air field is for light passenger planes normally charted by private companies.

Due to the location of the population concentration in the rural villages, there is strong movement of people over long distances. Most of the movement occurs between the Mokopane area and Lephalale where most of the business facilities are located and along the road networks to Thabazimbi, Mokopane and Gauteng where employment opportunities exist. But this trend is gradually changing as a result of the current economic upswing within Lephalale municipal area

**18. Disaster Management**

The aim of the Disaster Management Plan is to enhance the capacity of the Lephalale Municipality to prevent and deal with disasters and to avoid developments that are subject to a high risk of disaster. The Lephalale Municipality adopted its disaster management plan in 2006, which should be followed during an emergency/disaster in the area. Furthermore, the local authority does not have the capacity to deal with any large-scale disaster within the Municipality. The Social Services Directorate of the Municipality has established various “associations” within the local community to facilitate, that the action groups are informed about their roles and responsibilities in the case of an emergency or a disaster.

With reference to the institutional arrangements, the Social Services Directorate of the Municipality has completed the process of establishing the required links with the District Municipality and other local role-players. It is critically important to involve the local communities who are at risk of disaster. The involvement of communities will ensure that all likely types of disasters are identified and to prepare localized disaster management strategies according to the local circumstances. The disaster management strategies should be developed in such a manner to facilitate and ensure maximum emergency preparedness.

The local authority does not have the resource capacity to act as sole responsible agent for the implementation of the different disaster management strategies and it is therefore crucial that the district and provincial authorities be involved during the planning of the strategies. This will ensure that the role and responsibilities of the different spheres of government and local role-players are adequately delineated and clear. This will ensure a smooth implementation of the disaster management strategy if and when the time requires it.

Disaster management is a cross-sectoral task which relates to a wide range of sectors and aspects such as avoiding settlements or investment in high risk locations, construction technologies, water management, health services etc. It is therefore not an issue that can be dealt with by a special project, but it requires compliance of any development's measures with basic principles of disaster prevention and mitigation. Rather than taking any possible disaster into consideration, one has to focus on risks which are very likely and which justify the efforts of preparedness

Lephalale Municipality is prone to disasters that emanate from veldt and informal settlements fires, floods, drought epidemics and crime.

Hereunder is the risk profile of the municipality:-

**Risk profile**

| Hazards | Low risk (LR) | Medium risk (MR) | High risk (HR) | Priority |
|---|---|---|---|---|
| Fires<br>1.1 Veldt<br>1.2 Informal settlement | | | √ | 1 |
| Floods<br><br>2.1 Flash Floods<br>2.2 Dam/River Floods | | √ | | 5 |
| Epidemics | | √ | | 2 |
| Draughts | | | √ | 3 |
| Crime/Lawlessness | | √ | | 4 |

# SECTION E

# MUNICIPAL TRANSFORMATION AND ORGANISATION DEVELOPMENT

**19. INSTITUTIONAL AND ORGANISATIONAL DEVELOPMENT**

**19.1 Implementation of Powers and Functions**

Lephalale Municipality is implementing powers and functions as delegated. To date the Municipality implements almost all of the powers and functions as delegated.
The challenges that are experienced in implementing the powers and functions are financial constrain to fully implement the functions as the municipality's revenue is 50% relying on grants. Another critical challenge is the attraction and retention of skilled personnel to implement the powers and functions.

### 19.2 Development of By-laws and policies

Progressive by-laws have the potential to create a conducive environment for sound administration, social development and economic development. Lephalale municipality has only developed draft by-laws which have to be taken through a process of community participation before they are gazetted. To date the draft by-laws are not implemented as the municipality is still waiting the process of promulgation.

### 19.3 Institutional capacity to implement the IDP

The Municipality in conjunction with Eskom and Exxaro has undertaken an institutional study in 2008. The process of developing an institutional plan will address how best the Municipality must execute its powers and functions aligned to the IDP with the resources which are at its disposal.

### 19.4 Performance Management System

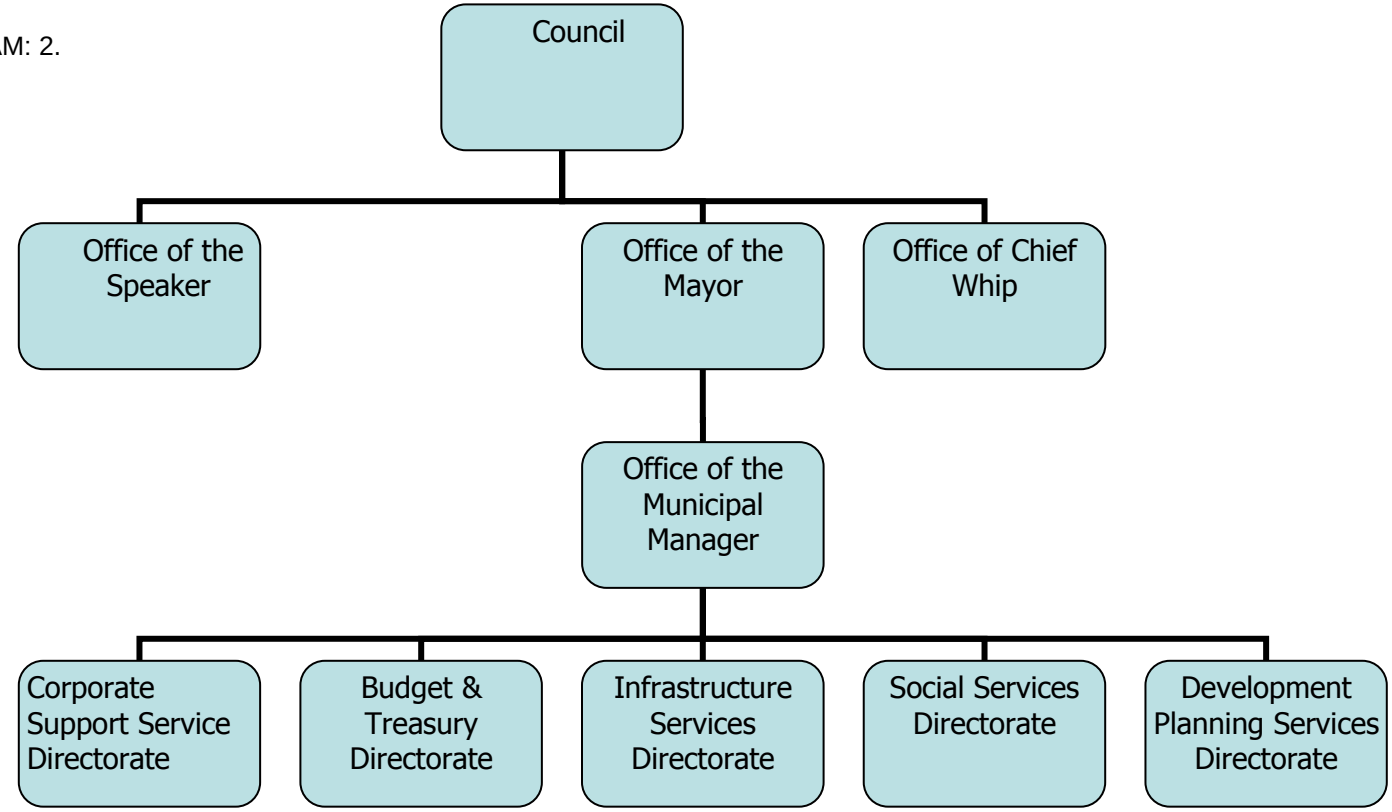
The Municipality is in the process of developing a mechanism of performance management system. The mechanisms include Internal Audit function, performance Audit committee and Service Delivery Budget Implementation Plan.
The PMS Framework, Policy and Charter should give guidance to the Municipality Performance management process. At individual level only section 57 Managers has signed performance contracts. Other employees of the municipality do not have performance management contract

### 19.5 Organisational Structure

In the light of the actual and potential development challenges the municipality reviews its organizational structure in order that the structure should reflect how the municipality has organized its resources and competencies for the purpose of

delivering on core responsibilities. The political structure consists of Council and the Executive Committee. The administration consists of the five departments: Corporate Services, Development Planning Services, Infrastructure Services, Social Services and Budget & Treasury.

DIAGRAM: 2.



| Department | Number of Staff | | | | | Key performance area |
|---|---|---|---|---|---|---|
| | Occupied | Vacant | Total Budget positions | Positions not Budgeted | Total Positions Organogram | |
| Municipal Manager | 10 | 5 | 15 | 6 | 21 | Coordination, Communication, Internal Audit & Strategic Management |
| Corporate & Support Service | 31 | 3 | 34 | 8 | 42 | Human resource & management, Legal matters & Registry |
| Planning & Development | 11 | 1 | 12 | 14 | 26 | Coordination, IDP, Strategic management, Tourism & LED/SMME, Town planning & building control |
| Infrastructure Services | 148 | 34 | 182 | 42 | 224 | Water, Sanitation, Electricity, Roads & Storm water, Fleet/Asset Management & Public Amenities |
| Budget & Treasury | 29 | 4 | 33 | 8 | 41 | Budgeting, Compilation of Financial reports, and statements, Purchasing & expenditure control & Debt collection |
| Social Services | 124 | 35 | 159 | 74 | 233 | Health Care Services<br>Libraries<br>Art Gallery<br>Sport & Recreation Services<br>Waste Management<br>Parks and Gardens<br>Housing<br>HIV/AIDS<br>Traffic Management, Disaster Management, Occupational Health Safety, Business Licenses, Safety and Security, Road markings Signs and Fire Fighting Services |
| **Total** | **353** | **82** | **435** | **152** | **587** | |

The assessment of the organizational capacity of the municipality to effectively fulfill its service delivery obligation enabled the following conclusions:-

- The current Organisational structure is not strategically designed nor equipped to optimally effect the execution of the current and new business imperatives that the municipality face.
- The organizational capacity and capability of the municipality is seriously deficient to meet the additional service delivery demands of key local industry players such as Eskom and Exxaro mine, due to the voluminous expansions of industrial operations.

Current institutional capacity constraints within Lephalale Local Municipality will impede the achievement of development targets for the Limpopo Coal and Petrochemical Cluster. The most critical constraints in the context of the cluster are in technical services, both at the managerial and operational levels. Specific areas of acute constraints are in water and sanitation. The DBSA Siyenza Manje Programme should be approached with a request for technical assistance in these areas of acute constraint.

# SECTION F

# GOOD GOVERNANCE AND PUBLIC PARTICIPATION

## 20. Community Participation and Good Governance

The office of the Mayor is responsible for organizing Imbizo's and Mayoral road shows as well as back to school programmes. The office of the speaker is responsible for intergovernmental relations programmes. Although the Mayoral Imbizo's were successful the same cannot be said about the IGR structures. Most of the portfolio committees are not functioning as expected or in terms of legislative requirements. The existing IGR structures experience challenges of executing the delegated mandate to ensure development and service delivery. All twelve ward committees are functional.
With the legislative mandate that the municipality carry Lephalale is obliged to execute its responsibility of deepening local democracy by involving communities in the development process. The challenges experienced by the municipality include lack of accountability and common understanding of IGR structures and processes, lack of integration, uncoordinated actions between the Province and Municipality and inadequate enforcement of and performance management systems for IGR structures.
The involvement of communities in the affairs of Lephalale Municipality is found in IDP/Budget review processes; Imbizo's and project mass meetings. Limitations of the community participation processes include inadequate inclusion of the special groups during the community participation processes

## 20.1 COMMUNITY PARTICIPATION

### Ordinary Council and Special Council meetings

- 2x Exec Committee meetings monthly
- 2x Council meetings per Quarter

**Functionality of Portfolio Committees**

- Not all portfolio committees are functioning effectively

**No of Ward committees established**

- Twelve ward committees has been established and are all functional

**Budget allocation for Ward committees**

- An amount of R300, 000 was made available for the 2009/10 financial year to provide for light refreshments in meetings, traveling expenses, training and community forum meetings
- Administrative support is also offered to ward committees by the municipal staff

**Key challenges confronting ward committees**

- Active involvement in governance issues
- Allowances
- Training
- Constant feedback to communities
- Interaction with CDW' s

**Ward Committee Management**

- The functionality of ward committees is entrusted to the Office of the Speaker
- The support offered mainly to this office in ensuring that it performs its duties diligently

**Communications and Public Participation**

- A communications strategy is in place but require review on an annual basis
- An official has been assigned to deal with issues of communications
- Public Participation issues are handled through the communications strategy

- An official has been appointed to deal with public participation matters.

**Community Development Workers**

- Fifteen CDW'S are deployed in entire municipal area.

# SECTION G

# DEVELOPMENT STRATEGIES

## 21. Priority Issues

The identification and ordering of the priorities are informed by the powers and functions of the municipality.

**IMPROVING THE QUALITY OF LIFE**

| PRIORITIES | MUNICIPALITY | PROJECTS IDENTIFIED |
|---|---|---|
| 1 | LEPHALALE | Water and Sanitation |
| 2 | LEPHALALE | Housing |
| 3 | LEPHALALE | Roads and Storm Water |
| 4 | LEPHALALE | Electricity |
| 5 | LEPHALALE | Local Economic Development |
| 6 | LEPHALALE | Land Development |
| 7 | LEPHALALE | Education and Training |
| 8 | LEPHALALE | Environmental Waste Management |
| 9 | LEPHALALE | Health and Social Development |
| 10 | LEPHALALE | Sports, Arts and Culture |
| 11 | LEPHALALE | Safety and Security |
| 12 | LEPHALALE | Public Transport |

### 21.1 SWOT Analysis

Based on the developmental, institutional challenges and priorities that are identified by the municipality, identification of the strength, opportunities, weaknesses and threats should be done to assess whether the municipality is realizing its vision, mission statement and strategic objectives. This can only be done through a SWOT analysis.

**Internal Strengths and Weaknesses**.

| Internal strengths | Internal weaknesses |
|---|---|
| ➢ Review and approve organizational structure annually.<br>➢ Performance reviews: - midyear, quarterly and annually.<br>➢ Committed to public participation.<br>➢ SDF reviewed and approved.<br>➢ Town planning and Land use management unit fully staffed.<br>➢ PMU established.<br>➢ Reduction of service delivery backlog.<br>➢ Provision of free basic services to indigents.<br>➢ Developed LED strategy.<br>➢ Career planning succession and retention policy.<br>➢ Relatively financially viable.<br>➢ Improvement in financial management.<br>➢ Improvement in financial policies. | ➢ Organisational structure not adequately staffed to implement IDP and SDBIP.<br>➢ Poor monitoring and evaluation of implementation of strategic goals<br>➢ Lack of involvement of disadvantaged groups.<br>➢ Lack of land use management system.<br>➢ Lack of integrated GIS system.<br>➢ Insufficient poverty alleviation projects.<br>➢ Poor infrastructure in general i.e. water, electricity, sanitation, roads and storm water.<br>➢ Lack of skills development of communities and enterprise development.<br>➢ Lack of appointment of local service providers.<br>➢ Lack of human resource development plan.<br>➢ Poor revenue base.<br>➢ Lack of 3/5 year finance plan.<br>➢ Lack of finance strategy/Donor funding strategy.<br>➢ Poor audit reports.<br>➢ IGR structures not fully functional.<br>➢ Dependency on grants.<br>➢ Sector departments and the municipality working in silo's.<br>➢ Lack of liaison with mining, tourism and agriculture sectors. |

**External opportunities and threats**

| External opportunities | External threats (negatives) |
|---|---|
| ➢ Malaria free area.<br>➢ Tourism destination.<br>➢ Tapping into funds, assets and skills of mines.<br>➢ Construction of new power station and Sasol Mafutha – coal to Liquid plant.<br>➢ Agriculture.<br>➢ UNESCO declaration of Waterberg Biosphere | ➢ High skilled staff turnover.<br>➢ Potential strain on development.<br>➢ Environmental impact from new coal mines.<br>➢ Inadequate National and Provincial alignment and integration.<br>➢ Influx of illegal immigrants from neighboring countries.<br>➢ The prevalence of HIV/AIDS.<br>➢ General lack of market related skills; and many settlements without basic infrastructure and services.<br>➢ Unequal distribution of wealth in the local economy.<br>➢ Classification of roads.<br>➢ Inadequate spin offs for local communities from mining, tourism and agriculture |

## VISION STATEMENT

***"To act as a catalyst to facilitate and integrate development and growth within the municipality in order to address the needs and improve the quality of life of all members of our community"***

## MISSION STATEMENT

***"We are committed to transformation and quality, affordable and financially sustainable services which promote local economic development and growth, job creation, empowerment and a better life for all, thus putting our community first."***

## OPERATING VALUES

- **Community orientation:** Provide and deliver sustainable services and activities for the whole community
- **Transparency:** Invite and encourage public sharing and democratic participation in council's activities
- **Commitment:** Focus and concentrate on council's core activities in a consistent manner
- **Business orientation:** Subscribe to, and comply with, the best business practices
- **Integrity:** Conduct council's business in a fair, responsible, flexible, equitable and honest manner
- **Accountability*:*** Report regularly to all stakeholders regarding council's actual performance

## 21.2 LEPHALALE'S PRIORITIES LINKED OBJECTIVE OF THE PGDS:

**IMPROVING THE QUALITY OF LIFE**

| PRIORITIES | MUNICIPALITY | PROJECTS IDENTIFIED |
|---|---|---|
| 1 | LEPHALALE | Water and Sanitation |
| 2 | LEPHALALE | Housing |
| 3 | LEPHALALE | Roads and Storm Water |
| 4 | LEPHALALE | Electricity |
| 5 | LEPHALALE | Local Economic Development |
| 6 | LEPHALALE | Land Development |
| 7 | LEPHALALE | Education and Training |
| 8 | LEPHALALE | Environmental Waste Management |
| 9 | LEPHALALE | Health and Social Development |
| 10 | LEPHALALE | Sports, Arts and Culture |
| 11 | LEPHALALE | Safety and Security |
| 12 | LEPHALALE | Public Transport |

## 21.3. LOCALISED STRATEGIES FOR PROVISION OF BASIC SERVICES

### 21.3.1 WATER AND SANITATION

**Water provision strategies and objectives**

| Strategy | Objective |
|---|---|
| Render at least sustainable RDP LOS to all household by 2012 | ❖ Providing the necessary bulk supply and reticulation infrastructure;<br>❖ Effective management of water supply services (cost recovery, operation and maintenance, incorporation with VWC's and supply water to poor households under (FBW) policy and extend it to farm workers by 2011 |
| Ensure that appropriate water services are rendered to all users economically and effectively. | ❖ Operate and maintain the water supply system within appropriate legislation and manage water resources, develop and implement a Demand Management Plan by December 2010. |

**Sanitation objectives and strategies**

| Objectives | Strategies |
|---|---|
| Ensure a sanitation LOS at least at RDP standard for all households | ❖ Source funding and implement projects to provide VIP's for all indigents by 2012; and<br>❖ Supply sanitation services to the poor under free basic sanitation (FBS) |
| Operate and maintain the sewage networks and purification works at high standard | ❖ Provide and maintain appropriate sanitation infrastructure and compliance with health standards and financing sources |

### 21.3.2 ROADS AND STORM WATER

**Roads infrastructure provision strategies and objectives.**

| Strategy | Objectives |
|---|---|
| To maintain and manage road infrastructure through optimal utilization of resources for efficient customer-orientated service delivery at levels which meets legislative requirements | ❖ Construction of roads for all new establishments and maintain and upgrade roads using labour intensive methods where applicable as expanded public works programme. |
| To provide and maintain local and access roads appropriately | ❖ Develop maintenance plan for local and access roads by 2010 and implement them effectively |

**Storm water channels provision strategies and objectives**

| Strategies | Objectives |
|---|---|
| To provide and maintain storm water systems to protect properties and municipal assets from damage | ❖ Water management on roads (storm water drainage) |
| To manage storm water systems through optimal utilization of resources for efficient, accountable and customer orientated service | ❖ Develop maintenance plans for all municipal roads by 2010 and implement them effectively |

### 21.3.3 ELECTRICITY

**Electricity provision objectives and strategies**

| Objectives | Strategy |
|---|---|
| To provide dependable electricity supply to all municipal customers at competitive rates.<br>To ensure readiness for amalgamation with REDS in 2011 | ❖ Supply required electricity infrastructure; operate and maintain the electrical supply system and<br>❖ Participate and influence electricity restructuring process. |
| To ensure that 90% of all households | ❖ Deliver electricity to the poor under the free basic electricity (FBE) |

| | |
|---|---|
| have access to sustainable energy supply by 2010 | policy |

### 21.3.4 HOUSING(INTEGRATED SUSTAINABLE HUMAN SETTLEMENTS)

**Housing strategies and objectives**

| Strategy | Objective |
|---|---|
| To develop a sound strategy to ensure that sufficient housing, erven and options are available to prevent illegal settlement on land and/or unacceptable housing conditions;<br>Conduct research, develop and implement practical financing options | ❖ To determine the need for housing over and above households earning between R0- and R3500 per month and<br>❖ Develop a hierarchy of options suitable and affordable to target market that is erven minimum; basic and higher levels of service |
| Conduct research, develop and implement practical financing options | ❖ Develop strategies to enable people to pay for erven and conduct housing consumer education to the community |

### 21.3.5 EDUCATION

**Educational services related objectives and strategies**

| Objective | Strategy |
|---|---|
| To become more responsive to the skills needs of industry, with the implication that employment linked learning should respond to the strategic needs of enterprises or to appropriate small-scale activities that have the prospect of generating sustainable income. | ❖ To promote technical careers,<br>❖ Additional facilities;<br>❖ Human resources development; and<br>❖ Access to information |

### 21.3.6 ENVIRONMETAL MANAGEMENT

**Environmental management and solid waste objectives and strategies**

| Objectives | Strategies |
|---|---|
| To reduce environmental damage | ❖ To compile an environmental management plan as required by the legislation by the end of December 2010<br>❖ To complete an analysis of areas which need to be rehabilitated by the end of December 2010; and to reduce invader plants occupation |
| To establish registered solid waste disposal sites in the rural parts of Lephalale in accordance with environmental conservation act of 1989 by June 2011 | ❖ To compile a waste management plan to control pollution, environmental damage and the risk of disease by June 2011 as per environmental conservation act of 1989; and 50% reduction of illegal dumping of waste by December 2010; and 60% of illegal reduced by December 2011 |
| To establish formal environmental education/awareness programme | ❖ Initiate environmental/eco clubs in all villages and identify potential eco-guides in all wards by the end of December 2010. Initiate cleanest village or ward competition and environmental competitions in schools. |
| To establish effective and consistent Refuse removal service | ❖ Development of refuse removal policy by the end of September 2010.Develop standard operational plan for refuse removal by October 2010. Review all waste collection routes by September 2010. Purchase reliable waste collection trucks and adequate refuse receptacles by September 2010. |
| Reduce amount of waste disposal by 50% | ❖ Establish material recovery facility i.e. Buy-back and Drop-off centre's. Initiate recycling clubs in villages and schools within the municipality and link them with recycling companies by December 2010 |
| Ensure environmental justice and compliance | ❖ To have approved waste management by-laws by the end of June 2011 and develop implementation plan by September 2011 |
| To ensure safe disposal of waste within the municipal area | ❖ Identify and register a new waste disposal facility.<br>❖ To have registered transfer stations around the rural areas by December 2011.<br>❖ To have a suitable landfill compactor by September 2010.<br>❖ Develop operation and maintenance plan by October 2010. |

### 21.3.7 FINANCIAL VIABILITY

| Objectives | Strategies |
|---|---|
| To ensure revenue enhancement for the municipality. | ❖ Develop revenue enhancement strategy by Nov 2010<br>❖ Upgrading and integrating of financial management system.<br>❖ Increase current revenue stream by unlocking bulk infrastructure capacity to operate at maximum level. |
| To manage debt effectively and efficiently. | ❖ Recovering revenue from government owned land, farmers and residents.<br>❖ Reduce current debt of R45 million by 50% by October 2010. |
| To obtain clean audit. | ❖ Resolve all prior audit queries by May 2010. |
| Implement proper asset management. | ❖ Apply fixed asset register in compliance with GRAAP by September 2010. |
| To ensure credibility and transparency of supply chain management. | ❖ Training of SCM unit by treasury via PALAMA by Dec 2010. |

### 21.3.8 LAND DEVELOPMENT

**Land development strategy and objectives**

| Strategy | Objectives |
|---|---|
| To ensure the availability of land for development purposes throughout the next three years and to guide development in terms of proper town planning principles | ❖ Develop an SDF in accordance of the expected needs<br>❖ Land assessment<br>❖ Future development |

### 21.3.9 PUBLIC TRANSPORT

**Provision of Public transport.**

| Strategy | Objective |
|---|---|
| To ensure that an efficient and effective transport system is operated in the municipality | ❖ Minimize the constrains on mobility of commuters and goods;<br>❖ Ensure that economical offers of choice of mode of transport by commuters are available by 2011 |

### 21.3.10 HEALTH AND SOCIAL DEVELOPMENT

**Health and Social development objectives and strategies**

| Objectives | Strategies |
|---|---|
| 90% of both urban and rural population will have access to health services that include preventative, rehabilitative and curative care closer to their residence by June 2011<br><br>Provide grants to 99.9% of the beneficiaries who qualify for social grants by June 2011 | ❖ To decrease turnaround time at clinics by at least 50% by the end of June 2011;<br>❖ To increase the number of people provided with health care by 10% by the end of June 2011;<br>❖ To serve at least 50% of the community at a location that is closer to their residences than the current by June 2011.<br>❖ Assist children, newly born babies and their parents with necessary documents for identification to be able to apply for social grants. |

## 21.3.11 SPORTS, ARTS AND CULTURE

**Sports, Arts and Culture objectives and strategies**

| Objective | Strategy |
|---|---|
| To provide sport and recreational facilities of 1,2ha for every 1000 residential units that will contribute to the recreation of the local communities, and provide them with opportunities to interact by the end of June 2011 | ❖ To complete an analysis and recommendations of specific areas where sport facilities can be economically developed;<br>❖ To continue to upgrade and maintain the existing recreational facilities |

## 21.3.12 LOCALISED STRATEGIES FOR ECONOMIC DEVELOPMENT

Lephalale municipality has the constitutional responsibility to enhance social and economic development. To do that the municipality, inter alia, should create a conducive environment for local business to flourish through making progressive policies and by-laws which are in harmony with the National Economic Policy. To deal with the challenges of the second economy, the municipality must not only develop strategies but also implement them.
The following may be done:

- Formulate policies and by-laws.
- Co-ordinate economic development programmes.
- Provide bulk infrastructure for business.
- Develop incentives for local investment.
- Develop SMME's.
- Develop strong partnerships with local business.
- Maintain focus on rural development.

**Local economic development strategies and objectives**

| Strategy | Objectives |
|---|---|
| To reduce unemployment rate by 5% within the municipality for the next 5 years | ❖ Encourage public/private sector investment;<br>❖ Develop small businesses;<br>❖ Identify and develop local key economic sectors (e.g. tourism) and encourage investment in labour intensive projects |

### 21.3.13 Localized guidelines for rural development, poverty alleviation and gender equity

Women, children, people with disabilities, the aged, farm workers and rural residents are most vulnerable groups in the communities. The disparities and poverty express themselves racial and spatial lines. These socially disadvantaged individuals are found in rural villages and townships. Since development is about improving the lives and standards of living of people, the said groups should benefit as well. Their rights to basic and human dignity are protected in the constitution of the Republic of South Africa. Inequality also plays itself in the form of unemployment and empowerment opportunities among women, people with disability and the youth. The IDP in particular and the municipal policies in general should assist in dealing with the issues of inequality and unemployment. The causes of these inequalities and influence over access to and control over social, political and economic resources should be fully understood. All of these have a bearing on service delivery and development in the context of the IDP. The mainstreaming of the gender in the IDP process is very important. War on poverty programme and other poverty alleviation programmes must be assisted and be complemented to assist in dire need situations. The main instruments which are used against poverty are cooperatives, food security and local economic development programmes.

# SECTION H

# PROJECT INTEGRATION

| LEPHALALE MUNICIPALITY CAPITAL INVESTMENT PROGRAMME | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2010/2011 - 2014/2015 IDP Projects as approved by council | | | | | | | | |
| | | | | | | | | |
| **Project Name** | **RESPONSI-BLE MANAGER** | **2010/2011** | **2011/2012** | **2012/2013** | **2013/2014** | **2014/2015** | **TOTAL CAPITAL** | **FUNDER** |
| | | | | | | | | |
| **INFRASTRUCTURE** | | | | | | | | |
| **WATER** | | | | | | | | |
| Chlorination-Village Water Supplies | Infrastructure | R 0 | R 1,000,000 | R 1,000,000 | R 5,000,000 | R 3,000,000 | R 11,000,000 | LM |
| Ga Seleka WS & Witpoort RWS ( Water Scheme) | Infrastructure | R 5,000,000 | R 3,000,000 | R 2,500,000 | R 2,500,000 | | R 11,000,000 | MIG |
| Shongoane WS & Mokuruanyane RWS (Village Water Extensions) | Infrastructure | R 10,000,000 | R 8,000,000 | R 8,000,000 | R 4,500,000 | | R 30,500,000 | MIG |
| Master plan for Rural Area | Infrastructure | R 0 | R 800,000 | | | | R 800,000 | |
| Refurbishment of AC Water pipes Lephalale-Marapong, Onverwacht, Town | Infrastructure | R 2,000,000 | R 2,000,000 | R 2,000,000 | R 2,000,000 | R 1,500,000 | R 9,500,000 | MIG |
| Pump Station at Mokolo Dam | Infrastructure | R 0 | R 0 | R 11,000,000 | R 0 | R 0 | R 11,000,000 | LM |
| Pipeline between Mokolo Dam and Wolwenfontein | Infrastructure | R 0 | R 0 | R 19,789,200 | R 0 | R 0 | R 19,789,200 | LM |
| | | | | | | | | |
| Pipeline between Wolwenfontein and Zeeland WTW | Infrastructure | R 0 | R 0 | R 97,016,400 | R 0 | R 0 | R 97,016,400 | LM |
| Expansion of Zeeland WTW | Infrastructure | R 0 | R 10,000,000 | R 4,000,000 | R 0 | R 0 | R 30,000,000 | LM |
| Expansion of Matimba WTW(Marapong) | Infrastructure | R 0 | R 23,100,000 | R 0 | R 0 | R 0 | R 23,100,000 | LM |
| Marapong Supply Zone 8ML Reservoir | Infrastructure | R 5,500,000 | R 6,500,000 | R 0 | R 0 | R 0 | R 12,000,000 | LM |
| Water Pipeline Zeeland to T-Piece (750mm Ø ) | Infrastructure | R 0 | R 46,376,760 | R 0 | R 0 | R 0 | R 46,376,760 | LM |
| Water Pipeline T-Piece to | Infrastructure | R 0 | R 9,921,810 | R 0 | R 0 | R 0 | R 9,921,810 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Onverwacht Reservoir (750mm Ø ) | | | | | | | | |
| Water Pipeline T-Piece to Onverwacht Reservoir (500mm Ø ) | Infrastructure | R 0 | R 1,235,710 | R 0 | R 0 | R 0 | R 1,235,710 | LM |
| Water Pipeline-Ellisras Supply Zone (700mm Ø) | Infrastructure | R 0 | R 0 | R 20,738,240 | R 0 | R 0 | R 20,738,240 | LM |
| Water Pipeline-Ellisras Supply Zone ( 315mm Ø | Infrastructure | R 0 | R 2,498,090 | R 1,016,000 | R 0 | R 0 | R 3,514,090 | LM |
| Raw Water Pipeline Between Zeeland and Matimba ( 315mm Ø ) | Infrastructure | R 0 | R 14,046,200 | R 0 | R 0 | R 0 | R 14,046,200 | LM |
| Bulk V3 Ellisras & PALALA | Infrastructure | R 0 | R 3,000,000 | R3,000,000 | R 5,000,000 | R 11,000,000 | R 22,000,000 | LM |
| Fencing for Elevated Tanks, Pumps & Office | Infrastructure | R 0 | R 600,000 | | R 400,000 | | R 1,000,000 | LM |
| Ablution Change Room Witpoort | Infrastructure | R0 | R 650,000 | | | R 250,000 | R 900,000 | LM |
| Masibambane Capacity Building Programme | Infrastructure | R 0 | R 7,500,000 | R 4,000,000 | R 3,500,000 | R 3,500,000 | R 22,500,000 | DWA |
| Water conservation and water demand management | Infrastructure | R 0 | R 3,000,000 | R 2,000,000 | R 2,000,000 | R 1,000,000 | R 9,000,000 | DWA |
| Witpoort New Water Treatment Plant | Infrastructure | R 0 | R 10,000,000 | R 8,000,000 | 2,000,000 | | R 20,000,000 | LM |
| Replace/ Refurbish Water Pumps & Bulk Pipelines | Infrastructure | R 0 | R 600,000 | R 500,000 | R 350,000 | R 200,000 | R 1,800,000 | LM |
| Erection of Storeroom Facilities at Witpoort | Infrastructure | R 450,000 | R 300,000 | | R 100,000 | | R 850,000 | LM |
| Erection of Workshop & Standby Room | Infrastructure | R 0 | R 550,000 | R 100,000 | | | R 650,000 | LM |
| Additional Elevated steel and plastic tanks for various villages | Infrastructure | R 0 | R 2,000,000 | R 1,500,000 | R 1,000,000 | | R 4,500,000 | LM |
| 6x LDV`s (4x4) | Infrastructure | R 0 | R 2,000,000 | | | | R 2,000,000 | LM |
| 3 Ton truck for drought Water delivery | Infrastructure | R 0 | R450,000 | | | | R 450,000 | LM |
| Geographic Information | Infrastructure | R 0 | R 700,000 | R 350,000 | R 350,000 | R 250,000 | R 1,850,000 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| System | | | | | | | | |
| Cost Recovery (Pilot Project Rural) | Infrastructure | R 0 | R 1,000,000 | R 3,000,000 | R 4,000,000 | R 2,000,000 | R 14,000,000 | LM |
| Office furniture and tables | Infrastructure | R 0 | R 200,000 | | | | R 200,000 | LM |
| Office Printers x 7 | Infrastructure | R 0 | R 180,000 | | | | R 180,000 | LM |
| **Total Water** | | **R 22,450,000** | **R 46,750,000** | **R 185,759,840** | **R 23,450,000** | **R 22,600,000** | **R 453,418,410** | |
| | | | | | | | | |
| **SANITATION** | | | | | | | | |
| | | | | | | | | |
| Village Sanitation | Infrastructure | R | R 5,000,000 | R 1,000,000 | R 1,000,000 | R 1,000,000 | R 7,000,000 | LM |
| Lephalale Sewer Treatment plant upgrade paarl | Infrastructure | R 12,000,000 | R 13,000,000 | R 10,000,000 | | R 10,000,000 | R 45,000,000 | LM |
| Ugrading of new pump station | Infrastructure | R 0 | R 9,000,000 | | | | R 9,000,000 | LM |
| Tanker for sewer septic tank services | Infrastructure | R 0 | R 400,000 | R 400,000 | | | R 800,000 | LM |
| Sewer mobile pump | Infrastructure | R 300,000 | | | | | R 300,000 | LM |
| Trailer X2 | Infrastructure | R 100,000 | | | | | R 100,000 | LM |
| Refurbishment of 30 Pump stations | Infrastructure | R 0 | R 3,000,000 | R 3,500,000 | | | R 8,960,000 | LM |
| Marapong Oxidation Conversion | Infrastructure | R 12,000,000 | R0 | | | | R 12,000,000 | LM |
| Fencing of 36 pump stations | Infrastructure | R 1,600,000 | R 0 | R 0 | | | R 1,500,000 | LM |
| Laboratory equipment paarl/marapong | Infrastructure | | R 500,000 | R 1,000,000 | R 5,000,000 | R 5,000,000 | R 6,500,000 | LM |
| Refurbish sewer line at Marapong High School | Infrastructure | R 0 | R 500,000 | R 1,500,000 | | | R 2,000,000 | LM |
| Upgrade Thabo Mbeki Sanitation system | Infrastructure | R 0 | R 2,500,000 | | | | R 2,500,000 | LM |
| Security fence at pump stations and screens at witpoort | Infrastructure | R 0 | R 500,000 | R 3,000,000 | R 3,000,000 | R 3,000,000 | R 9,000,000 | LM |
| Refurbish of 3 pumps at Witpoort | Infrastructure | R 0 | R 1,500,000 | | | | R 1,500,000 | LM |
| 2 x 3 Ton trucks for mobile toilets & heavy Duties | Infrastructure | R 0 | R 400,000 | | | | R 400,000 | LM |
| 2x LDV`s | Infrastructure | R 0 | R 400,000 | | | | R 720,000 | LM |
| Aerobic system at Paarl | Infrastructure | R 0 | R 13,000,000 | | | | R 13,000,000 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Steenbokpan informal settlement sanitation | Infrastructure | R 0 | R 450,000 | R 500,000 | | | R 1,350,000 | LM |
| | | | | | | | | |
| **Total Sanitation** | | **R 26,000,000** | **R 22,150,000** | **R 19,500,000** | **R 9,000,000** | **R 19,000,000** | **R 138,630,000** | |
| **ROADS / PUBLIC WORKS** | | | | | | | | |
| DD2 District distributer No.2 (From road P84/1 in Town to Marapong extension 4) | Infrastructure | R 0 | R 9,101,030 | R 0 | R 18,202,061 | R 18,202,061 | R 45,505,152 | LM |
| Southern By-pass (extension of P198/1 to connect D1675 before steenbokpan T junction) | Infrastructure | R 0 | R 9,101,030 | R 18,202,061 | R 18,202,061 | | R 45,523,354 | |
| | | | | | | | | |
| DD3 District distributer No.3 (Second access to Marapong from road D1675) | Infrastructure | R 0 | R 9,389,952 | R 9,389,952 | R 0 | R 0 | R 18,779,904 | LM |
| DD5 District distributer No.5 (Onverwacht drive links Southern and Northern bypass and also serves as an access to the proposed mall) | Infrastructure | R 0 | R 0 | R 11,556,864 | R 0 | R 0 | R 11,556,864 | LM |
| Double seal surface road Heavy Industrial Area | Infrastructure | R 0 | R 6,000,000 | R 6,000,000 | R 6,000,000 | R 6,000,000 | R 30,000,000 | LM |
| SLD 1 Secondary Local Distributors (M) 1 (Main road to Marapong business area) | Infrastructure | R 0 | R2,708,640 | R 0 | R 0 | R 0 | R 2,708,640 | LM |
| SLD 2 Secondary Local Distributors (M) 2 (Road from Marapong extension 4 to Northern bypass) | Infrastructure | R 0 | R 9,818,820 | R 0 | R 0 | R 0 | R 9,818,820 | LM |
| SLD 3 Secondary Local Distributors (M) 3 (The road links Northern bypass and DD3) | Infrastructure | R 0 | R 6,771,600 | R 0 | R 0 | R 0 | R 6,771,600 | LM |
| SLD 4 Secondary Local Distributors (M) 4 (Links Secondary local distributor 3 and the Northern bypass | Infrastructure | R 0 | R 4,401,540 | R 0 | R 0 | R 0 | R 4,401,540 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| in Marapong) | | | | | | | | |
| Marapong Extension 4 Internal Streets upgrading | Infrastructure | R 3,500,000 | R 3,500,000 | R 3,500,000 | R 3,500,000 | R 3,500,000 | R 20,000,000 | LM + Exxaro |
| Double seal surface roads (Access roads Mokerong 1Villages) Seleka | Infrastructure | R 0 | R 5,601,540 | R 5,601,540 | 0 | 0 | R 11,203,080 | LM |
| Double seal surface roads (Access roads Mokerong 1Villages) Ga-Monyeki | Infrastructure | R 0 | R 5,601,540 | R 5,601,540 | 0 | 0 | R 11,203,080 | LM |
| Double seal surface roads (Access roads Mokerong 1Villages) Matladi | Infrastructure | R 0 | R 0 | R 5,601,540 | R 5,601,540 | 0 | R 11,203,080 | LM |
| Double seal surface roads (Access roads Mokerong 1Villages) Mokuruanyane | Infrastructure | R 0 | R 0 | | R 5,601,540 | R 5,601,540 | R 11,203,080 | LM |
| Storm Water drainage channel B (Existing unlined storm water channel from Onverwacht road to Rupert street) | Infrastructure | R 4,643,230 | R 0 | R 0 | R 0 | R 0 | R 4,643,230 | LM |
| Storm Water drainage channel D (see master plan) | Infrastructure | R 0 | R 9,017,890 | R 0 | R 0 | R 0 | R 9,017,890 | LM |
| Storm Water drainage channel F (see master plan) | Infrastructure | R 0 | R 0 | R 6,964,410 | R 0 | R 0 | R 6,964,410 | LM |
| Storm Water drainage channel G (see master plan) | Infrastructure | R 0 | R 2,883,060 | R 0 | R 0 | R 0 | R 2,883,060 | LM |
| Storm Water drainage channel H (Existing unlined channel from Rupert street to Mokolo dam) | Infrastructure | R 0 | R 3,973,060 | R 0 | R 0 | R 0 | R 3,973,060 | LM |
| Storm Water drainage channel I (see master plan) | Infrastructure | R 0 | R 0 | R 804,830 | R 0 | R 0 | R 804,830 | LM |
| Storm Water drainage channel J (see master plan) | Infrastructure | R 0 | R 4,643,230 | R 0 | R 0 | R 0 | R 4,643,230 | LM |
| Storm Water drainage channel K (see master plan) | Infrastructure | R 0 | R 0 | R 0 | R 3,160,650 | R 0 | R 3,160,650 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Compactor | Infrastructure | R 0 | R 200,000 | R 200,000 | R 0 | R 0 | R 400,000 | LM |
| Concrete dumper | Infrastructure | R 0 | R 90,000 | R 0 | R 0 | R 0 | R 90,000 | LM |
| Furniture | Infrastructure | R 0 | R 20,000 | | R 20,000 | R 0 | R 60,000 | LM |
| 4 x Computer and Printers | Infrastructure | R 0 | R 30,000 | R 15,000 | R 20,000 | R 0 | R 65,000 | LM |
| Equipments (Drill, Grinder, Slidings and Plate Compactors) | Infrastructure | R 0 | R 60,000 | R 20,000 | R 0 | R 20,000 | R 100,000 | LM |
| TLB | Infrastructure | R 0 | R 800,000 | R 0 | R 950,000 | R 0 | R 1,750,000 | LM |
| | | | | | | | | |
| Loader | Infrastructure | R 0 | R 2,000,000 | R 0 | R 0 | R 0 | R 2,000,000 | LM |
| Water Tanker | Infrastructure | R 0 | R 900,000 | R 0 | R 0 | R 1,500,000 | R 2,400,000 | LM |
| Tools | Infrastructure | R 0 | R 20,000 | R 20,000 | R 0 | | R 40,000 | LM |
| LDV and LDV Replacement | Infrastructure | R 0 | R 360,000 | R 250,000 | R 0 | R 270,000 | R 880,000 | LM |
| 2x Medium Trucks | Infrastructure | R 0 | R 260,000 | R 280,000 | R 0 | R 0 | R 790,000 | LM |
| 3 Ton truck | Infrastructure | R 0 | R 550,000 | R 0 | R 550,000 | R 0 | R 1,600,000 | LM |
| 2 X Graders | Infrastructure | R 2,500,000 | R2,700,000 | R | R 0 | R 2,900,000 | R 10,600,000 | LM |
| Digital camera | Infrastructure | R 0 | R 4,000 | R 0 | R 0 | R 0 | R 4,000 | LM |
| Thrush box (Storm water generator) | Infrastructure | R0 | R10,000 | | | | R 10,000 | LM |
| Resealing of Roads in Town, Onverwacht and Marapong | Infrastructure | R 0 | R 2,500,000 | R 3,000,000 | R 4,000,000 | R 5,000,000 | R 16,500,000 | LM |
| Extension Civic Centre | Infrastructure | R 500,000 | R 6,000,000 | | | | R 16,000,000 | |
| Roads and Storm Water Master plan | Infrastructure | R 0 | R 700,000 | | | | R 700,000 | |
| Setateng Taxi Rank (Additional Office, Benches and Destination boards) | Infrastructure | R 0 | R 200,000 | | | | R 200,000 | |
| Municipal Housing | Infrastructure | R 0 | R 160,000 | | | | R 160,000 | LM |
| Seleka Taxi Rank | Infrastructure | R 2 ,700,000 | | | | | R 8,600,000 | MIG |
| | | | | | | | | |
| Extension of Standby house at municipal workshop | Infrastructure | R 0 | R 100,000 | | | | R 100,000 | |
| Office Furniture | Infrastructure | R 0 | R 20,000 | | | | R 20,000 | |
| **Total Public Works** | | **R 13,901,650** | **R 58,200,414** | **R 64,521,245** | **R 65,787,852** | **R 42,993,601** | **R 333,575,974** | |
| | | | | | | | | |
| **ELECTRICITY AND MECHANICAL** | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Upgrading of substation 2 | Infrastructure | R 2,500,000 | | | | | R 2,500,000 | LM |
| Upgrading of substation 3 | Infrastructure | R 2,500,000 | | | | | R 2,500,000 | LM |
| Upgrading of Overhead line to G Avgos substation | Infrastructure | R 1,000,000 | | | | | R 1,000,000 | LM |
| Upgrading of Main Sub to 132KV 60 MVA | Infrastructure | R 0 | R 85,000,000 | | | | R 85,000,000 | LM |
| Cable Fault Detector & Testing Equipment | Infrastructure | R 200,000 | | | | | R 200,000 | LM |
| Office equipment and Furniture | Infrastructure | R 0 | R120,000 | | | | R 120,000 | LM |
| Heavy industrial overhead line | Infrastructure | R 0 | R 1,000,000 | | | | R 1,000,000 | LM |
| Machine shop | Infrastructure | R 0 | R 200,000 | | | | R 200,000 | LM |
| Plasma Cutter | Infrastructure | R 0 | R 15,000 | | | | R 15,000 | LM |
| | | | | | | | | |
| **Total Electrical** | | **R 6,200,000** | **R 0.00** | **R 0.00** | **R 0.00** | **R 0.00** | **R 92,535,000.00** | |
| **SOCIAL SERVICES** | | | | | | | | |
| **LIBRARY ARTS AND CULTURE** | | | | | | | | |
| | | | | | | | | |
| Shongoane peace centre equipments | Social Services | R 0 | R 97,000 | R 0 | R 0 | R 0 | R 97,000 | LM |
| Marapong library | Social Services | R 0 | R 5,000,000 | R 0 | R 0 | R 0 | R 2,000,000 | MIG |
| Lephalale Library ( Air conditioner & emergency Lights | Social Services | R 0 | R 120,000 | R 0 | R 0 | R 0 | R 120,000 | LM |
| 1x LDV | Social Services | R 0 | R 250,000 | R 0 | R 0 | R 0 | R 250,000 | LM |
| Marapong Library Furniture and equipments | Social Services | R 800,000 | R 0 | R 0 | R 0 | R 0 | R 800,000 | LM |
| Marapong Library Gardening and Landscaping | Social Services | R 0 | R 100,000 | R 0 | R 0 | R 0 | R 100,000 | LM |
| Thusong Multipurpose centre (Mokuruanyane) | Social Services | R 8,662,064 | R 3,000,000 | R 0 | R 0 | R 0 | R 15,000,000 | MIG |
| Thusong Multipurpose centre ( Gardening and Landscaping) | Social Services | R 0 | R 100,000 | R 0 | R 0 | R 0 | R 100,000 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Thusong Multipurpose centre (Furniture and Equipments) | Social Services | R 0 | R 500,000 | R 0 | R 0 | R 0 | R 500,000 | LM |
| New Primary (marapong) | Social Services | R 9,000,000 | R 20,000,000 | | | | R 20,000,000 | DoE |
| New Secondary School (Onverwacht) | Social Services | R 9,000,000 | R 20,000,000 | | | | | DoE |
| **Total Library** | | **R 18,886,662** | **R43,000,000** | **R 0** | **R 0** | | **R 76,967,000** | |
| **PARKS** | | | | | | | | |
| Playground equipments Marapong | Social Services | R 0 | R 150,000 | R 0 | R 0 | R 0 | R 150,000 | LM |
| Playground equipments Onverwacht | Social Services | R 0 | R 150,000 | R 0 | R 0 | R 0 | R 150,000 | LM |
| Playground equipments Waterkloof | Social Services | R 0 | R 100,000 | R 0 | R 0 | R 0 | R 100,000 | LM |
| Playground equipments Grootfontein | Social Services | R 0 | R 100,000 | R 0 | R 0 | R 0 | R 100,000 | LM |
| Replacement Truck, The Canter truck (DKF 062 N) is almost 22 years old and needs to be replaced | Social Services | R 300,000 | R 0 | R 0 | R 0 | R 0 | R 300,000 | LM |
| Peerboom Park Irrigation | Social Services | R 0 | R 200,000 | R 0 | R 0 | R 0 | R 200,000 | LM |
| Ga-Seleka stadium | Social Services | R 0 | R 4,000,000 | R 0 | R 0 | R 0 | R 4,000,000 | LM |
| Purchase 3,5 Ton Truck | Social Services | R 0 | R 300,000 | R 0 | R 0 | R 0 | R 300,000 | LM |
| Work for water | Social Services | R 0 | R 500,000 | R 0 | R 0 | R 0 | R 500,000 | LM |
| Establishing regional cemetery (Palala, Marapong and Steenbokpan) | Social Services | R 0 | R 1,000,000 | R 0 | R 0 | R 0 | R 1,000,000 | LM |
| Marapong cemetery Palisade fencing | Social Services | R 150,000 | R 0 | R 0 | R 0 | R 0 | R 150,000 | LM |
| Nursery Top Up | Social Services | R 0 | R 150,000 | R 0 | R 0 | R 0 | R 150,000 | LM |
| 2x Tractors | Social Services | R 550,000 | R 0 | R 0 | R 0 | R 0 | R 550,000 | LM |
| 2x Slashers | Social | R 50,000 | R 0 | R 0 | R 0 | R 0 | R 50,000 | LM |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Services | | | | | | | |
| Lawn mowers | Social Services | R 0 | R 310,000 | R 0 | R 0 | R 0 | R 310,000 | LM |
| Cutting machines | Social Services | R 0 | R 74,000 | R 0 | R 0 | R 0 | R 74,000 | LM |
| Fertilizer spreader | Social Services | R 0 | R 48,000 | R 0 | R 0 | R 0 | R 48,000 | LM |
| 150 DIA Wood chipper | Social Services | R 0 | R 225,000 | R 0 | R 0 | R 0 | R 225,000 | LM |
| Furniture:2xSpecial works man | Social Services | R 0 | R 30,000 | R 0 | R 0 | R 0 | R 30,000 | LM |
| LDV'S | Social Services | R 0 | R 300,000 | R 0 | R 0 | R 0 | R 300,000 | LM |
| Shelter | Social Services | R 150,000 | R 0 | R 0 | R 0 | R 0 | R 150,000 | LM |
| Cemetery | Social Services | R 0 | R 120,000 | R 0 | R 0 | R 0 | R 120,000 | LM |
| | | | | | | | | |
| **Total Parks** | | **R 1,200,000** | **R 4,000,000** | **R 0** | **R 0** | **R 0** | **R 8,957,000** | |
| **REGISTRATION AUTHORITY** | | | | | | | | |
| Establishment of registering authority at Multi purpose centre at Mokuranyanne | Social Services | R 0 | R 499,000 | R 0 | R 0 | R 0 | R 499,000 | LM |
| Equipment | Social Services | R130,000 | R 0 | R 0 | R 0 | R 0 | R 30,000 | LM |
| Provision of archive /storage facility for RA | Social Services | R0 | R 0 | R 0 | R 0 | R 0 | R 0 | LM |
| Building of a new testing station incorporating a vehicle testing centre and a Grade A K53 driving license testing ground at Mokuruanyane adjacent to the multi purpose (phase1) | Social Services | R0 | R 14,200,000 | R 1,825,000 | R 0 | R 0 | R 16,025,000 | LM |
| | | | | | | | | |
| **Total Registration Authority** | | **R 130,000** | **R 2,324,000** | **R 0** | **R 0** | **R 0** | **R 16,711,500** | |
| | | | | | | | | |
| **WASTE MANAGEMENT** | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 20x skip bins(6 Cubic meter) | Social Services | R 250,000 | R 300,000 | R 0 | R 0 | R 0 | R 550,000 | LM |
| 200x1.1 Refuse bin(Commercial property) | Social Services | R 0 | R 1,128,600 | R 0 | R 0 | R 0 | R 1,128,600 | LM |
| 3xCompactor trucks(19 cubic meter) | Social Services | R 5,000,000 | R 2,000,000 | R 2,000,000 | R 2,000,000 | R 0 | R 11,000,000 | LM |
| Construction of a Buy back centre (waste recycling) | Social Services | R 0 | R 3,000,000 | R 200,000 | R 200,000 | R 0 | R 3,600,000 | LM |
| Weighbridge at dumping site | Social Services | R 600,000 | R 0 | R 0 | R 0 | R 0 | R 600,000 | LM |
| 1X Skip loader | Social Services | R 0 | R 800,000 | R 0 | R 0 | R 0 | R 800,000 | LM |
| 1x Bulldozer | Social Services | R 3,000,000 | R 0 | R 0 | R 0 | R 0 | R 3,000,000 | LM |
| 6x Skip Bins(12 cubic meter) | Social Services | R 0 | R 100,000 | R 300,000 | R 0 | R 0 | R 400,000 | LM |
| Medium Waste transfer station | Social Services | R 0 | R 3,000,000 | R 0 | R 0 | R 0 | R 3,000,000 | LM |
| Water tanker truck | Social Services | R 0 | R 1,500,000 | R 0 | R 0 | R 0 | R 1,500,000 | LM |
| Caltex trailer tank | Social Services | R 500,000 | R 0 | R 0 | R 0 | R 0 | R 500,000 | LM |
| **Total Waste** | | **R 9,350,000** | **R 2,800,000** | **R 2,200,000** | **R 2,200,000** | **R 0** | **R 26,078,600** | |
| **TRAFFIC, ROAD SAFETY AND SECURITY** | | | | | | | | |
| Installation of CCTV cameras at the testing grounds | Social Services | R 100,000 | R 0 | R 0 | R 0 | R 0 | R 100,000 | LM |
| Furniture and Equipment | Social Services | R 25,500 | R 0 | R 0 | R 0 | R 0 | R 25,500 | LM |
| 2 x Pistols for current traffic officers | Social Services | R 20,000 | R 0 | R 0 | R 0 | R 0 | R 20,000 | LM |
| Equipment Upgrade security system | Social Services | R 300,00 | R 0 | R 0 | R 0 | R 0 | R300,00 | LM |
| | | | | | | | | |
| Total Traffic | | **R 445,500** | **R 0** | **R 0** | **R 0** | **R 0** | **R 445,500** | |
| **HUMAN SETTLEMENT** | | | | | | | | |
| Furniture and Equipment | Social Services | R 15,500 | R 0 | R 0 | R 0 | R 0 | R 15,500 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Marapong Ext 3:construction of 500 new housing units,150 units for 2009/2010 and 300 for 2010/2011 | Social Services | R 0 | R 34,650,000 | R 86,509,500 | R 0 | R 0 | R 121,159,500 | |
| Steenbokpan:construction of 170 houses | Social Services | R 0 | R 11,050,000 | R 0 | R 0 | R 0 | R 11,050,000 | |
| Urban development:1 000 | Social Services | R0 | R 65,000,000 | R 33,608,165 | R 35,960,736 | R | R 134,568,901 | |
| Provision of housing to middle income | Social Services | | R 1,000,000 | R 107,000,000 | R 0 | R 0 | R 108,000,000 | |
| Rural housing:500 housing units per year | Social Services | R 111,400,000 | | R 34,775,000 | R 0 | R 0 | R 146,175,000 | DLGH |
| Movement and resettlement of informal settlers in Marapong | Social Services | R 0 | R 500,000 | R 0 | R 0 | R 0 | R 500,000 | LM |
| Numbering (street numbers in Marapong) | Social Services | R 0 | R 200,000 | R 0 | R 0 | R 0 | R 200,000 | LM |
| | | | | | | | | |
| | | | | | | | | |
| **TOTAL HUMAN SETTLEMENT** | | **R 111,515,500** | **R 121,117,665** | **R 177,735,736** | **R 0** | **R 0** | **R 443,274,201** | |
| **DEVELOPMENT PLANNING** | | | | | | | | |
| **LAND USE AND BUILDING CONTROL** | | | | | | | | |
| Development of LUMS | | R 0 | R 500,000 | R 500,000 | | R 500,000 | R 1,500,000 | |
| Master Plan for population concentration points | | R 0 | R 500,000 | R 550,000 | | | R 1,050,000 | |
| Formalization of informal settlements | | R 0 | R 800,000 | R 850,000 | | | R 1,650,000 | |
| Development of policies | | R 0 | R 500,00 | R 600,00 | R 800,00 | | R 1,900,00 | |
| Annual review of SDF | | R 0 | R 820,000 | R 900,00 | R 900,00 | | R 820,000 | |
| 4x Computer & 1 Laptop | | R 0 | R 100,000 | | | | R 100,000 | |
| Furniture for 7 x officials | | R 0 | R 100,000 | | | | R 100,000 | |
| **Total for Land Use** | | **R 0** | **R 3,320,000** | **R3,400,000** | **R 1,700,00** | **R 500,00** | **R 7,120,000** | |
| **LED** | | | | | | | | |
| Mentoring of small scale business | Planning | R 0 | R 250,000 | R 250,000 | | | R 750,000 | PPP |
| Animal feed (CIP) | Planning | R 0 | R 500,000 | R 4,850,000 | | | R 5,950,000 | PPP |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Environ stewardship | Planning | R 0 | R 1,600,000 | R 1,690,000 | | | R 4,790,000 | PPP |
| Agricultural development support | Planning | R 0 | R 5,000,000 | R 4,000,000 | R 4,000,000 | | R 19,000,000 | PPP |
| Tourism information centre | Planning | R 0 | R 3,000,000 | R 3,000,000 | R 4,000,000 | | R 13,000,000 | PPP |
| Botsalanong project | Planning | R0 | | | R 500,000 | | | Dept Agric |
| Thabitha youth project (Hlagalakwena) | Planning | R 0 | | | | | R 300,000 | Dept Agric |
| Bopape citrus project (Madibaneng) | Planning | R 0 | | R 300,000 | | | R 300,000 | Dept Agric |
| Motebele Veg Project (Rietfontein) | Planning | R 0 | R 350,000 | | | | R 350,000 | Dept Agric |
| Itireleng Sefitlogo Youth (Rietfontein) | Planning | R 0 | R 500,000 | | | | R 500,000 | Dept Agric |
| LED Strategy | Planning | R 0 | R 500,000 | | | | R 500,000 | LM |
| LED Commonage | Planning | R 0 | R 150,000 | | | | R 150,000 | LM |
| **Total for LED** | | **R 0** | **R 10,450,000** | **R 8,990,000** | **R 8,500,000** | **R 0** | **R 38,890,000** | |
| **CORPORATE SERVICES** | | | | | | | | |
| Large document safe 200m^2 | Corporate | R 600,000 | R 0 | R 0 | R 0 | R 0 | R 600,000 | LM |
| Furniture and Equipment | Corporate | R 56,987 | | | | | R 56,987.30 | LM |
| 2x LDV | Corporate | R 400,000 | R 0 | R 0 | R 0 | R 0 | R400,00 | LM |
| **Total Corporate Services** | | **R 1,056,987** | **R 0** | **R 0** | **R 0** | **R 0** | **R 1,056,987** | |
| **FINANCE** | | | | | | | | |
| Replacement of Water meters at Marapong | CFO | R 1,800,000 | R 0 | R 0 | R 0 | R 0 | R 1,800,000 | LM |
| Furniture and Equipment | | R 822,500 | R 0 | R 0 | R 0 | | R 822,500 | LM |
| | | | | | | | | |
| **Total** | | **R 2,622,500** | **R 0** | **R 0** | **R 0** | | **R 2,600,500** | |

# SECTION I

# APPROVAL

## 22. LEGISLATIVE BACKGROUND GUIDING THE APPROVAL PROCESS

- The Constitution of the Republic of South Africa and the Municipal Systems Act requires council to develop a service delivery plan to address the developmental needs and fulfill its developmental role at local government level.
- The document outlining how council intends to carry out its developmental role during its term of office will be in the form of the Integrated Development Plan, which is reviewed annually.
- Having further adhered to provisions of Sections 27 and 29 of the Systems Act, the IDP review process commenced in September 2009 after the adoption of the IDP process plan by Council.
- Council has in further compliance with legislation established structures that will ensure that its developmental role is achieved.

### 23.1 PROCESS TOWARDS APPROVAL

### INSTITUTIONAL ARRANGEMENTS, ROLES AND RESPONSIBILITIES

The IDP process requires that all role-players are fully aware of their own, as well as other role-players' responsibilities in the execution of the IDP process. The roles and responsibilities of the various spheres of government and other relevant stakeholders are as follows:

The role of the national sphere of government is to provide a legal framework, policy guidelines and principles for sectoral, provincial and local government planning. National government's involvement in the process was basically restricted to the input from specific departments (e.g. DWAF) rendering services in the provinces and to assist and guide municipalities in the integrated development planning process;The role of the provincial sphere of government is to monitor the IDP process on a provincial level, facilitate horizontal alignment of the IDP's of district municipalities within the province and to ensure that vertical/sector alignment took place between provincial sector departments and the municipal planning process.

The local municipality is responsible to effect horizontal alignment of the IDP's of adjacent municipalities, vertical alignment between district and local Planning and the facilitation of vertical alignment of IDP's with other spheres of government and sector departments; and the input and participation of corporate service providers, private sector, NGO's, representatives of organised stakeholder groups, etc. in the IDP process is important as these stakeholders are involved in providing goods and rendering services in the municipal area and to inform the planning process of issues, problems and constraints experienced opportunities that exist and areas of potential intervention. The following diagram indicates the organizational structure that was established to ensure the institutionalisation of the IDP process, the effective management of the drafting of the IDP and to ensure proper and sufficient stakeholder participation in decision-making.

## ***23.2 PROCESS OVERVIEW: STEPS AND EVENTS***

The Lephalale local Municipality's approach to Review process was based on a **community** and **issue** driven approach. Although the Local Municipality is legally obliged to review and approve an Integrated Development Plan and to align all actions, projects, programmes etc. according to the issues in terms of the IDP, the approach followed by the Lephalale Municipality included the facilitation and capturing of issues identified by the community that relates to the competency of other stakeholders and that should be addressed by these stakeholders. The IDP review process officially commenced in September 2008.

The planning process necessitated that various meetings were held with communities, wards, government departments, organizations and institutions through the established IDP structures; indicates the relevant meetings/activities that were held throughout the IDP Review process, the composition of the meetings, the number of meetings held and the purpose thereof.

**TABLE ON MEETINGS/WORKSHOPS HELD DURING IDP PROCESS**

| Meetings | No. of Meetings | Composition | Purpose |
|---|---|---|---|
| Council meetings | 3 | Meetings were attended by:<br>• Mayor;<br>• Councillors; and<br>• Directorate Managers | The purpose of the meetings were to:<br>• Approve the IDP Review Process Plan<br>• Approve draft IDP Reviewed |
| IDP Steering Committee Meetings | 4 | Meetings were attended by:<br>• Municipal Manager;<br>• Directorate Managers,<br>• Divisional Heads<br>• IDP Officer | The purpose of the meetings were to:<br>• Manage, co-ordinate and monitor the IDP Process;<br>• Ensure that all relevant actors were appropriately involved;<br>• Identify municipal wide issues and ensure that issues are addressed in the planning process;<br>• Ensure that horizontal & vertical alignment took place in planning process;<br>• Discuss and comment on inputs from provincial sector departments and support providers; and<br>• Comment on draft outputs from each phase of the IDP. |
| IDP Representative Forum meeting | 2 | Meeting was attended by<br>▪ Councillors<br>▪ Ward committee Members<br>▪ Community development Workers<br>▪ Traditional Leaders<br>▪ NGO's<br>▪ CBO's<br>▪ Business formations<br>▪ The public<br>▪ Sector Departments | The purpose of the meeting was to:<br>▪ Co-ordinate with local communities, provincial and National departments<br>▪ Form a structured link between the municipality, Government and representatives of the public<br>▪ Adopt the analysis, strategies and projects<br>▪ Provide an organizational mechanism for discussion, Negotiation and decision- making between the stakeholders including ward committees and community Development workers on the framework for review, Situational analysis, strategies and project phases |

The above-mentioned meetings were held on a regular basis at predetermined dates and giving participants sufficient notice of such meetings. The composition of the meetings were done to suit the local circumstances of the villages and wards to ensure that sufficient representation and participation on local level is achieved. Reports on progress with the IDP process will be submitted to the Representative Forum for discussion. The Steering Committee will be responsible for alignment of processes, projects and budgets between other spheres of govt

# SECTION J

# IMPLEMENTATION

## 24. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

As indicated in the previous chapter the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of it's IDP and to gauge the progress made in achieving the objectives as set out in the IDP. The objectives for any municipal performance management system is guided and regulated by the relevant legislation and policy guidelines. The Planning and Performance Management Regulations informs the objectives to a great extent. The PMS for the Lephalale Local Municipality includes the following objectives that the system should fulfill:

***Meeting IDP Objectives***

To ensure that the priorities as contained within the IDP are achieved, by measuring the success of meeting these

***Effective Community Participation***

The Performance Management System is to ensure that effective community participation is achieved throughout the process.

***Financial Accountability***

The system should assist in improving the financial accountability of the key office bearers and officials.

**Facilitate increased accountability**

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

**Facilitate learning and improvement**

The PMS should facilitate learning in order to enable the Municipality to improve delivery.

**Provide early warning signals**

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

**Facilitate decision-making**

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but summarize the intended benefits of the system. These intended functions should be used to evaluate and review the performance management system on a regular basis.

## 25. PRINCIPLES GOVERNING THE LEPHALALE LOCAL MUNICIPAL PMS

The principles that should govern the Lephalale Local Municipal PMS are developed to ensure that the PMS is relevant, especially in attaining its objectives and legislative requirements. The said principles are the following:

***effective*** utilization of financial and human resources

***simplicity*** so as to facilitate implementation given any current capacity constraints,

***politically acceptable*** to all political role players,

***administratively managed*** in terms of its day-to-day implementation,

***implementable*** within any current resource constraints,

***transparency and accountability*** both in terms of developing and implementing the system,

***efficient and sustainable*** in terms of the ongoing implementation and use of the system,
***public participation*** in terms of granting citizens their constitutional right to participate in the process,

***integration*** of the PMS with the other management processes within the Municipality,

***objectivity*** based on credible information and lastly,

***reliability*** of the information provided on the progress in achieving the objectives as set out in its IDP.

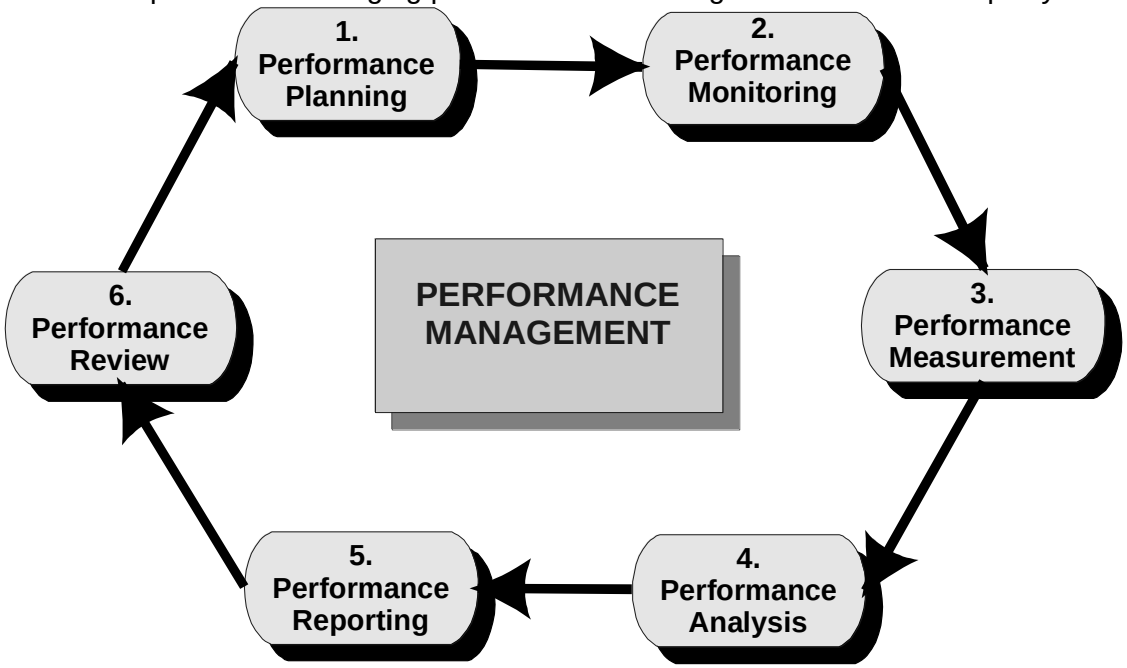
## 26.1 PREFERRED PERFORMANCE MANAGEMENT MODEL

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyze its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organisation.

A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Municipality has however chosen its own model known as the **Balanced Score Card** , which is primarily based on the Key Performance Area Model and relevant to the powers and functions of the municipality. In terms of the said model all indicators are grouped together into the national Key Performance Areas and all the Municipality's performance scorecards have been structured accordingly.

## 26.2. THE PROCESS OF MANAGING PERFORMANCE

The annual process of managing performance at strategic level in the Municipality involves the steps as set out in the diagram below:




The following table spells out in more detail the role of all relevant role players in each of the above steps:

Table on. Monitoring and evaluation

| Stakeholders | performance Planning | Performance Reporting & Reviews |
|---|---|---|
| ***Citizens and Communities*** | • Be consulted on needs<br>• Develop the long term vision for the area<br>• Influence the identification of priorities<br>• Influence the choice of indicators and setting of targets | • Be given the opportunity to review municipal Performance and suggest new indicators and targets |
| ***Council*** | • Facilitate the development of a long-term vision.<br>• Develop strategies to achieve vision<br>• Identify priorities<br>• Adopt indicators and set targets | • Review municipal performance Annually |
| ***Executive Committee and the IDP Management/ Steering Committee*** | • Play the leading role in giving strategic direction and developing strategies and policies for the organisation<br>• Manage the development of an IDP<br>• Approve and adopt indicators and set targets<br>• Communicate the plan to other stakeholders | • Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies |
| ***Municipal Manager + Senior Managers*** | Assist the Mayoral Committee in<br>• Providing strategic direction and developing strategies and policies for the organisation<br>• Manage the development of the IDP<br>• Ensure that the plan is integrated<br>• Identify and propose indicators and targets<br>• Communicate the plan to other stakeholders | • Conduct regular reviews of performance<br>• Ensure that performance reviews at the political level are organized<br>• Ensure the availability of information<br>• Propose response strategies to the Mayoral Committee |
| ***Senior Managers and Divisional Heads*** | • Develop service plans for integration with other sectors within the strategy of the organisation | • Conduct reviews of service performance against plan before other reviews |

The balance of this chapter looks at each of the steps in more detail and how they will unfold in the process of managing performance in the Municipality. Although the steps and what follow relates mainly to performance management at strategic level, the principles and approaches as espoused could also be applied to performance management at operational level.

It will be apparent throughout the rest of this chapter that the link between the organizational and employee performance has been provided for as part of the recommendations of the actions to be followed, thus addressing the legal requirement of linking the two

**26.3 Performance Planning**

The performance of the Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof; therefore constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has under-performed.

**26.4 Performance monitoring**

Performance monitoring is an ongoing process by which a Manager accountable for a specific indicator as set out in the balanced scorecard (or a service delivery target contained in an annual SDBIP) continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due.

In the instance of the Lephalale Local Municipality it is recommended that the balanced scorecard of the Municipality be reported on a quarterly basis to the Mayor and Exco. Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met. It is therefore, proposed that at least on a monthly basis Managers track performance trends against targets for those indicators that lie within the area of accountability of their respective Departments as a means to identify performance related problems and take appropriate remedial action on time.

It will be appropriate for each Senior Manager to delegate to the Divisional Head / Any senior official in the department, the responsibility to monitor the performance for his/her sector. Such Divisional Heads/Senior Officials are, after all, best placed given their understanding of their sector to monitor on a regular basis whether targets are being met currently or will be met in future, what the contributing factors are to the level of performance and what interim remedial action needs to be undertaken

**26.5 Performance measurement**

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. Given the fact that initially at least the Municipality will have to rely on a manual process to manage its performance provision has been made in the balanced scorecard for the name of an official responsible for reporting on each indicator (please note that this might not necessarily be the same official accountable for performance on an indicator).

The said official will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned on the strategic scorecard and report the result to his/her Manager making use of the said scorecard after completing the next step (see performance analysis below). It should be noted at this stage that for each of the scorecards of the Municipality two formats exist namely a planning and reporting format. The planning format is used to plan and capture the performance targets for each indicator whilst the reporting format is used to capture actual performance against targets and to report to the Executive Mayor and Council.

**26.6 Performance analysis**

Performance analysis involves the process of making sense out of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

In practice the aforementioned entails that the Senior Manager responsible for each indicator will have to, after capturing the performance data against targets on the strategic scorecard, analyze the underlying reasons why a target has/has not been met and capture a summary of his/her findings on the strategic scorecard. The Manager will thereafter have to compile a draft recommendation in terms of the corrective action proposed in instances where a target has not been achieved and also capture this on the strategic scorecard. Provision has been made on the reporting format of the strategic scorecard to capture both the “reason for the performance status” (in other words the results of the analysis undertaken) and the ”corrective action” proposed.

The strategic scorecard as completed must then be submitted to a formal meeting of the senior management team for further analysis and consideration of the draft recommendations as captured by the relevant Managers. This level of analysis should examine performance across the organisation in terms of all its priorities with the aim to reveal and capture whether any broader organizational factors are limiting the ability to meet any performance targets in addition to those aspects already captured by the relevant Manager.

The analysis of the strategic scorecard by senior management should also ensure that quality performance reports are submitted to Executive Mayor and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the strategic scorecard, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the strategic (municipal/organizational/ corporate) scorecard be submitted to the Executive Mayor for consideration and review.

### 26.7. Performance reporting and review

The next two steps in the process of performance management namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for quarterly versus annual reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

### 26.8. In-year performance reporting and review

The submission of the strategic scorecard to the Mayor for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of any PMS and it marks the beginning of what should become a regular event namely using the performance report as a tool to review the Municipality's performance, and subsequently the IDP, and to make important political and management decisions on how to improve.

As indicated earlier the strategic (organizational/corporate/municipal) scorecard must be submitted to the Mayor for consideration and review on a quarterly basis. The reporting should therefore take place in October (for the period July to end of September - quarter 1 of the financial year), January (for the period October to the end of December - quarter 2), April (for the period January to the end of March - quarter 3) and July (for the period April to the end of June - quarter 4).

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance reviews is the process where the leadership of an organisation, after the performance of the organisation have been measured and reported to it, reviews the results and decide on appropriate action. The Mayor and or assisted by the Exco. in reviewing the strategic (municipal/organizational/corporate) scorecard submitted to her on a quarterly basis will have to ensure that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons have been provided by senior management and that the corrective action being proposed is sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed these must be adopted as formal resolutions of Council, minuted and actionned accordingly.

### 26.9 Annual performance reporting and review

On an annual basis a comprehensive report on the performance of the Municipality also needs to be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report
- The annual report be tabled within seven months after the end of the financial year
- The annual report immediately after it has been tabled be made public and that the local community be invited to submit representations thereon
- The municipal Council consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report
- The oversight report as adopted be made public
- The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the department responsible for local government in the Province
- The annual report as tabled and the Council's oversight report are submitted to the Provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirement that the annual report once tabled and the oversight report be made public similarly provides the mechanism for the general public to review the performance of the Municipality. It is however, proposed that in an effort to assist the public in the process and subject to the availability of funding, a user-friendly citizens' report be produced in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Annually a public campaign must be embarked upon to involve the citizens of the Municipality in the review of municipal performance over and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media including radio, newspapers and billboards should be used to convey the annual report.
- The public should be invited to submit comments on the annual report via telephone, fax and email.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and road shows at which the annual report could be discussed and input invited.
- Producing a special issue of the municipal newsletter in which the annual report is highlighted and the public invited to comment.
- Posting the annual report on the council website and inviting input

The public review process should be concluded by a formal review of the annual report by the IDP Representative Forum of the Municipality.
Lastly it should be mentioned that the performance report of a municipality is only one element of the annual report and to ensure that the outcome thereof timeously inform the next cycle of performance planning in terms of an IDP compilation/review process, it is recommended that the annual performance report be compiled and completed as soon after the end of a financial year as possible but ideally not later that two months after financial-year end.

### 26.10 Summary of various performance reporting requirements

The following table, derived from both the legislative framework for performance management and this PMS framework, summarize for ease of reference and understanding the various reporting deadlines as it applies to the Municipality:

Table 1.54 performance reporting

| Report | Frequency | Submitted for consideration and/or review to | Remarks |
|---|---|---|---|
| **1.** Departmental SDBIPs | Continuous | Manager of Department | See MFMA Circular 13 of National Treasury for further information |
| **2.** Monthly budget statements | Monthly | Mayor in consultation with the MM | See sections 71 and 54 of the MFMA |
| **3.** Departmental scorecards | Monthly | Mayor in consultation with the MM | Only if developed separately from Departmental SDBIPs |
| **4.** Strategic (municipal/organizational/ corporate) Scorecard | Quarterly | Mayor | This PMS framework |
| **5.** SDBIP mid-year budget and performance assessment | Annually during January of each year | Mayor (in consultation with EXCO ) | See sections 72 and 54 of the MFMA |
| **6.** Performance report | Annually | Council | See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below) |
| **7.** Annual report | Annually | Council | See chapter 12 of the MFMA |

For further ease of reference and clarity on the requirements of the internal and external “cascade” of reporting relevant to the lephalale Local Municipality.

## 27. The role of internal audit in terms of performance management

The MFMA requires that the Municipality must establish an internal audit section which service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality's performance measures must be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General.

The Municipal Planning and Performance management Regulations stipulates that internal audit section must on a continuous basis audit all performance and the auditing must include an assessment of the following:

(i) The ***functionality*** of the municipality's performance management system.

(ii) Whether the municipality's performance management system ***complies*** with the Act.

*(iii)* The extent to which the municipality's performance measurements are ***reliable*** in measuring the performance of municipalities by making use of indicators.

Each of the aforementioned aspects will now be looked at briefly.

### *27.1 Functionality*

The function could be defined as a proper or expected activity or duty or to perform or operate as expected. This could also be applied to the operation of any system such a PMS. The internal audit section must therefore on a regular basis audit whether the PMS of the Municipality is functioning as developed and described in this framework.

### *27.2 Compliance*

To comply can be defined as to act in the way that someone else has commanded. In this respect it is clear that the legislature wishes to ensure that the Municipality's PMS complies strictly with the requirements of the Systems Act, Regulations and the MFMA. This compliance check would require that the Municipality's internal audit unit, at least on an annual basis, verifies that the Municipality's PMS complies with the said legal requirements.

### *27.3 Reliability*

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures reported upon could be seen as being reliable, e.g. if the performance target was to build 500 houses and it is reported that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation. Undertaking a reliability audit will entail the continuous verification of performance measures and targets reported upon. This will require that the Municipality sets in place a proper information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness.

The Municipality's internal auditor must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

### 27.4 Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councilor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.
The Municipality established an audit committee in terms of section 166(1) of MFMA in September 2005 and the committee meets on a regular basis.The Regulations gives municipalities the option to establish a separate performance audit committee whereas the

MFMA provides only for a single audit committee. The operation of this audit committee when dealing with performance management is governed by section 14 (2-3) of the Regulations which require that the audit committee must:

- review the quarterly reports submitted to it by the internal audit unit
- review the municipality's PMS and make recommendations in this regard to the Council of the Municipality
- at least twice during a financial year submit an audit report to the municipal Council

In order to fulfill their function a performance audit committee may, according to the MFMA and the Regulations,

- communicate directly with the council, municipal manager or the internal; and external auditors of the municipality concerned;
- access any municipal records containing information that is needed to perform its duties or exercise its powers;
- request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The Municipality has already established an Audit Committee and it is recommended that their responsibility in terms of performance management be as set out in the MFMA, Regulations and this framework.

### 27.5 Performance Investigations

The Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. The performance investigations should assess:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the internal audit section may be used to conduct these investigations, it is preferable that external service providers, preferably academic institutions, who are experts in the area to be audited, should be used. Clear terms of reference will need to be adopted by the Council for each such investigation.

## 28. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

The following is some general issues related to performance management that needs to be taken into consideration in implementing the PMS of the Municipality:

### 28.1 Annual review of the Performance Management System

As stated earlier, one of the functions of the audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit committee has met as required; the internal audit section will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this framework and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to the Council for consideration.

The Municipal Systems Act requires the Municipality also annually evaluate its PMS. The review undertaken by the audit committee and its recommendations could serve as input into this wider municipal review of the PMS and it is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report, taking into account the input provided by departments. The report will then be discussed by the Management Team and finally submitted to the Council for discussion and approval.

### 28.2 Amendments to key performance indicators and targets

The Municipality will have to adopt a policy on amendments to indicators and targets. It is recommended that such amendments may be proposed but will be subject to the approval of the Mayor in consultation with the Municipal Manager.

### 28.3 Integrating PMS with the Council's existing management cycle

International best practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the Municipality. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS and this framework.

### 28.4 Institutional arrangements

The implementation of the PMS in terms of this framework would require co-ordination and it is recommended that at organizational level this be the task of the Manager: Strategic Support I the Office of the Municipal Manager. This is not to say that it would be the said person's responsibility to measure, analyze and report on performance but only to ensure that this happens and that material is collated and made available for analyses and review as per this framework on behalf of the Municipal Manager.

At an individual level the responsibility for co-ordination, administration and record keeping should be the responsibility of the Divisional Head responsible for Performance Management.

The Municipality also needs to ensure that its internal audit section is capacitated to deal with the additional responsibilities it has in terms of performance management over and above its traditional financial audit responsibilities.

## ANNEXURE A

### MUNICIPAL TURNAROUND TEMPLATE

| No. | Priority Turn Around Focal Area | January 2010 *(Current Situation/ Baseline)* | Target for December 2010 *(Changed Situation)* | Municipal Action | Unblocking Action Needed from other Spheres and Agencies *(e.g. intervention or technical support)* | Human Resource allocated | Budget | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Allocated | Projected |
| **1.** | **Basic Service Delivery** | | | | | | | |
| 1.1 | Access to water | 4 mil cubic metres per annum (2008), which is to grow to 41 mil cubic metres per annum (2030) | Conclude agreement for treatment plant upgrade Secure funding for phase 1 municipal contribution | Signature of funding agreement with Exxaro | Support from major industries and relevant sector dept. i.e. DWA, NT | MIS, DH Water, CFO | Operational budget | R1,4b |
| | | Backlog of 6710 households in both rural and farm areas | 2000 households to receive water up to RDP standards | Implementation of water extension project | COGTA to Review of policy on MIG allocation to be in line with current needs | DH Water, PMU, MIS | R 10 mil | R 27 mil |
| 1.2 | Access to sanitation | Infrastructure capacity, ageing infrastructure, | Ensure 3 main pump stations are upgraded and refurbishment | Implementation of projects on pump stations upgrade and plant | Secure financial commitment from ESKOM to upgrade WWTW | DH Sanitation, MIS, CFO | R9m | R50m |

| No. | Priority Turn Around Focal Area | January 2010 *(Current Situation/ Baseline)* | Target for December 2010 *(Changed Situation)* | Municipal Action | Unblocking Action Needed from other Spheres and Agencies *(e.g. intervention or technical support)* | Human Resource allocated | Budget | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Allocated | Projected |
| | | | of WWTW | refurbishment Ensure sufficient operations and maintenance | | | | |
| | | Backlog in rural areas (12 000 household below basic level) | Construction of additional 500 VIP units | Develop a plan to address identified backlog | Review of MIG funding allocation policy by COGTA | DH Sanitation, MIS | R5m | R62m |
| 1.3 | Access to electricity | Approximately 24190 household are currently electrified, 10000 households backlog, additional needed | Electrification of additional 500 households | Set up negotiations with DME and other role players in this regard | DME to prioritise Lephalale as a flagship on funding | DH Electrical, MIS | R 7,8mil | R 52 mil |
| | | Mini sub-station reached its full capacity | Conclude funding agreement for upgrade | Conclude funding agreement for upgrade | Eskom to waive required guarantees of R22m | DH Electrical, MIS,CFO | R00,00 | R90m |

| No. | Priority Turn Around Focal Area | January 2010 *(Current Situation/ Baseline)* | Target for December 2010 *(Changed Situation)* | Municipal Action | Unblocking Action Needed from other Spheres and Agencies *(e.g. intervention or technical support)* | Human Resource allocated | Budget | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | Allocated | Projected |
| | | (temporary 10 mva installed)<br><br>Current infrastructure reached full capacity | Identify land and secure funding for construction of new sub-station | Purchase land and implement project | Fast tracking of EIA process and approval | | | |
| 1.4 | Refuse removal and solid waste disposal | Existing site nearing full capacity and unlicensed ones in the villages | Have properly licensed sites for solid waste in municipality | Identify and formalise new sites | Deployment of DEAT official (s)to fast track processes regarding approval of land fill sites and environmental issues | MSS; | R00,00 | R5m |
| | | Three Illegal dumping sites in municipal area | 3 functional transfer stations | Establish transfer stations as planned | | MSS | R00,00 | R5m |
| 1.5 | Access to municipal roads | Provincial Road | Implementation of Financial Fiscal | Develop implementation | DOT to commit funding to | MIS,CFO, DH PW | R00,00 | R3b |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | conditions undesirable, classification of roads impacts negatively on growth potential | Commission recommendations for increased flow of funds for roads infrastructure | plan and Apply for funding i.t.o implementation of FFC recommendations | upgrade priority routes(e.g. by-passes) | | | |
| 1.4 | Refuse removal and solid waste disposal | Existing site nearing full capacity and unlicensed ones in the villages | Have properly licensed sites for solid waste in municipality | Identify and formalise new sites | Deployment of DEAT official (s)to fast track processes regarding approval of land fill sites and environmental issues | MSS; | R00,00 | R5m |
| | | Three Illegal dumping sites in municipal area | 3 functional transfer stations | Establish transfer stations as planned | | MSS | R00,00 | R5m |
| 1.5 | Access to municipal roads | Provincial Road conditions undesirable, classification of roads impacts | Implementation of Financial Fiscal Commission recommendations for increased flow of funds for roads infrastructure | Develop implementation plan and Apply for funding i.t.o implementation of FFC recommendations | DOT to commit funding to upgrade priority routes(e.g. by-passes) | MIS,CFO, DH PW | R00,00 | R3b |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | negatively on growth potential | | | | | | |
| 4. | Financial Management | | | | | | | |
| 4.1 | Revenue enhancement<br><br>Identify new source of revenue<br>Increase current revenue by unlocking bulk infrastructure capacity | Integrating of financial system (Marapong manual system and not connected to Sebata)<br>Services and properties as primary source of revenue<br>Infrastructure operating at full capacity | Get connected by March 2010.<br><br>New sources of revenue identified<br><br>Increase infrastructure capacity | Execute integration<br><br>Undertake study to identify new sources<br>Source funding by June 2011 | DLGH ICT to assist<br><br>Exploration exercise through feasibility study by municipality<br>Need special grant PT & NT<br>Develop infrastructure investment plan – DLGH (MID) to assist. | CFO | 0 | 0<br><br>100 |
| 4.2 | Debt management | Recovering revenue from govt. owned land: Low recovery currently experienced | Recovery of 100% of funds by March 2010<br><br>Consulted farmers | Final letters of demand to departments<br><br>Reduce current debt of 45ml by | DLGH to convene meeting to encourage payment by sector departments | DH Revenue & CFO | 0 | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Debt to be recovered from farmers and residents: Low recovery amongst farmers and debt on the increase | | 50% by June 2011 Incentivising of payment of services and establish awareness to improve culture of payment. Enforcement of collection measures etc (e.g. ITC listings etc) | | | | |
| 4.3 | Cash flow management | Cash flow positive | Cash flow positive | Ensure expenditure is within the budget | | | | |
| 4.4 | Repairs and maintenance provision | No maintenance plans | Maintenance plans developed | Development of maintenance plans | - District to provide technical support<br>- Province to deploy technical expert via Seyenza Manje. | | | |
| 4.5 | Capital expenditure | Major portion of CAPEX is from MIG | To increase internal CAPEX funding | Explore other alternative finance model | | MM &CFO | | |
| 4.6 | Clean Audit | Disclaimer received from AG | Resolve all prior audit queries by May 2010 | Resolve audit queries with resident | Resident from DLGH and Municipality | Three Divisional Heads CFO | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | accountant from DLGH | | and resident accountant | | |
| | Internal Audit | Position vacant | Appoint DH: Audit | Establish fully staffed internal audit | N/A | MM, MCSS | Opex | |
| | Audit Committee | Non-functional (Term of office expired) | Appointed audit committee | Appoint members to serve on the AC | N/A | MM, MCSS | | |
| | | | | | | | | |
| 4.7 | Asset management | Un-integrated asset management | Integrated asst management system in accordance with GRAP | Appoint service provider to assist | DLGH to check with service Provider – PDN - on comprehensive asset management | Service provider to be appointed | R1.2m | R5mil |
| 4.8 | Supply Chain Management | Decentralized and under-staffed SCM | Centralized and fully staffed SCM | Establish SCM Unit | Training of SCM unit by Treasury via PALAMA – by Dec 2010 | Andre Delport to assist | Opex 2010/11 | |
| **5.** | **Local Economic Development** | | | | | | | |
| 5.1 | LED Unit | Ad hoc response to economic development Functional | Improved institutional capacity | LED expert deployed by June 2010.<br>Review LED organogram to | Deploying of one highly experienced economic expert through *Siyenza Manje* Programme | MDP, MCSS, MM | Opex | 2010/11opex |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | LED forum | | be responsive to development needs by October 2010. 100% of approved LED unit posts filled by June 2012. | by June 2010 | | | |
| 5.2 | LED Plan aligned to the PGDS and adopted by Council | Inadequate support from Provincial and national governments | Strategic position of Lephalale as national Development Node, National Economic Development | Host national LED petro-chemical conference by October 2011 | Set up intergovernmental working group for Lephalale Development Agenda | MM, MDP, TIL | | R1mil |
| 5.3 | Petrochemical cluster | Medupi power station under construction (EIA for 2 more coal-fired power stations) & Bulk sampling by Sasol CTL | Forge closer relations with role players in this sector - | Resuscitate the mining group for focussed group. Dedicate personnel to this function | CENTRALISATION OF GOVT. SUPPORT IN LEPHALALE | MDP, MM | R00,00 | R200,000 |
| 5.4 | Agricultural Development | Conversion of agricultural land into game funding | Conduct an audit on active agricultural producers | Establish Partnership with Regional Agricultural | Depts. Agriculture Health and LEDET to launch SUSTAINALBLE | DH T,M and LED,MDP | R00,00 | R500 000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | at a high rate | | Unions | food security programmes in the municipal area | | | |
| 5.5 | Tourism Development | Sectoral dominated CTA | Launch an all inclusive CTA | Develop database of all product owners in the municipal area in the tourism industry | LEDET to allocate budget for CTA operation | DH T,M and LED,MDP | R00,00 | R500 000 |

**ABBREVIATIONS AND ACRONYMS**

IDP Integrated development plan
PGDS Provincial growth and development strategy
NSDP National spatial development perspective
GVA Gross value added
DPLG Department of provincial and local government
MFMA Municipal finance management Act, No 56 of 2003
MTEF Medium term Expenditure framework
MDGs Millennium development goals
SDBIP Service delivery and budget implementation plan
PMS Performance management system
DBSA Development bank of southern Africa
ITP Integrated transport plan
EMP Environmental management Plan
WSDP Water services development plan
WSP Water services provider
MSA Municipal systems Act, No 32 of 2000
MIIU Municipal infrastructure investment unit
NGO Non-governmental organization
CBO Community based organization

ASGISA Accelerated shared growth initiative of South Africa
JIPSA Joint initiative on preferred skills acquisition
TOR Terms of reference
PPP Public Private Partnership
NER National electricity regulator
SMME Small, medium and macro enterprises
LM Local municipality
CPI Consumer price index
KPA Key performance area
KPI Key performance indicator
ATP Authority to perform
PFM Powers performed by municipality
ESP External Service Provider
SDA Service Delivery Agreement in place
S78 Section 78 process of systems Act
LED Local economic development
EPWP Expanded public works programme
WDM Waterberg district municipality
DWAF Department of water affairs and forestry
CIP Comprehensive investment plan